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PERU PACT PVO EVALUATION

**Cooperative Agreement
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Final Report

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SO2 - Increased Incomes of the Poor

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EXECUTIVE SUMMARY

On September 30, 1992, USAID/Peru signed a Cooperative Agreement (CA) with Private Agencies Collaborating Together (PACT) to implement a *Project for Support of Non-Governmental Organizations*, with a budget of \$13 600,000 to be drawn down over a six-year period (September 30 1992 - September 29, 1998). The overall goal, taken from the Project Paper (PP), was to promote broad-based sustainable economic growth through the increased participation of Peru's poorest groups in the national development process. The two-fold purpose called for 1) expanding the amount and increasing the development impact of PVO/NGO food-assisted programs in the key sectors of health, agriculture, and enterprise development, and 2) strengthening the institutional capacity of Peruvian NGOs to work more effectively with community organizations in the delivery of services in those key sectors. The PP specified three types of support: a) Institutional Development Subgrants of up to \$150,000 each for up to 18 NGOs, b) Development Activities Subgrants of from \$100,000 to \$1M each to a maximum of 14 NGOs, and c) a range of institutional strengthening training and technical assistance independent of subgrant funding to be provided directly by the Project Management Unit (PMU) to up to 25 NGOs.

During the project's early unsettled period, the strategy laid out in the PP was not adhered to, nor was an alternative strategy devised. Nonetheless, in view of the long delay in getting the project off the ground, and its consequent vulnerability, USAID pressured PACT to move ahead more aggressively in programming subgrants. In October 1993, PACT solicited project proposals, receiving over 800, the best 104 were selected and sent to USAID, which chose 16 (14 for "development activities" and two for "institutional development," with the latter involving consortia). Subgrant agreements were signed by PACT and recipient NGOs in March/April 1994.

Beginning in April 1994, a "Shakedown Evaluation" was conducted, leading to significant changes in the project: resignation of the COP in May, production by PACT of two related plans ("Global Plan," including a newly-devised logframe, for the period from October 1994 to September 1998, and a "Strategic Plan" for August 1994 to September 1998), and arrival of the current COP in October 1994. Amendment 6 to the CA, signed in March 1995, relieved PACT of any responsibility for the food assistance program, and focused the project exclusively on the institutional strengthening of NGOs, for which the subgrant program was to function as a component of the strengthening process. However, in June 1995, USAID advised PACT that no further funds would be available and, therefore, no additional subgrants could be made.

The goal and purpose-level indicators included in the logframe in the Global Plan relate mostly to the 14 development subgrants, also called for was establishment of a baseline and instrument for measuring institutional strengthening over time. The input level includes 41 activities undifferentiated by size, scale or importance, grouped into six categories.

During the Mission's reengineering exercise, this project was placed under SO 2, "Increased Incomes of the Poor," and IR #4, "Strengthened Organizational Outreach." By late 1996, the IR was re-configured as "Increased Effectiveness and Efficiency of Organizations Providing Assistance to the Poor," and re-numbered as IR#2.5. In the first part of 1997, the current four performance indicators were adopted, they measure efficiency (reduction in NGO administrative costs), improved targeting of NGO activities and resources to poor districts, and the use of management systems. In

compliance with USAID's reengineering mandate. PACT's 1997 Work Plan included a Results Framework with three project-level results tailored to fit the Mission's SO #2. While activities were re-arranged into those new categories, they were basically those outlined in the 1994 Global Plan. To April 1997, project expenditures amounted to \$6,782,221 of the obligated total of \$8,415,792.

Institutional Strengthening In line with Amendment 6 to the CA, in March 1995 the project was re-designed to give greater weight to this component, including two major approaches, the first of which was the initiation of a Basic Training Program carried out directly by PACT, consisting of five modules organized into three workshops spread over time. The first two workshops (NGO management and project design/evaluation) are followed by technical assistance and site visits, while the third addresses financial management issues. The second major approach was continuation of the subgrants to the two NGO consortia responsible for training courses aimed at strengthening NGOs in Ayacucho and Cajamarca. Various other initiatives were also developed by PACT to reinforce the IS component, for example: SISCONG software and training, technical training, Participatory Planning at the Local Level (PPAL), two national NGO conferences, two editions of a Best Project Directory, a Donor Directory, and an NGO Directory.

This evaluation concluded that the design and content of the first two Basic Training workshops have been effective and appropriate to the issues covered. Use of the logical framework is the most immediately practical and most highly-valued part of the course, followed by strategic planning, the greatest value of which is that it leads NGOs to launch participatory processes within their organizations. However, the format used for the final plans leads to confusion between longer-term strategic plans at the institutional level and annual work plans at the activity level. It has not yet incorporated a specific focus on educating NGOs about the rationale behind current SO #2/IR indicators 2 and 3, which call for "improved targeting" of activities and resources to poor districts. Follow-on assistance would be improved through more verbal contact and fuller discussions at the offices of the NGOs during longer PMU site visits. The third Basic Training workshop on financial management does not underscore the significance of tracking direct/indirect cost ratios (per USAID's first IR indicator). The workshop ends with an introduction to SISCONG software and offers further training in that system. While training is well-designed, the software still needs improvement, a means for tracking administrative costs and a component for administering NGO credit are also needed. Meanwhile, technical training remains a reactive approach for strengthening NGO capacity, and has on occasion led to the selection of less-than-critical topics; it is now important to choose areas perceived by the NGOs to be most critical, and specialize only in those subjects through well-designed, in-depth training modules.

The current design of PPAL, which is aimed at strengthening the role of NGOs as facilitators of collaborative efforts at the district level, does not involve community members fully in the entire process. While they prioritize needs, it is specialists who package those needs into proposals then presented at district "fairs" to which donors are invited. While local authorities hailed the prioritization of needs by citizens as an important "first," the program would be strengthened if community members participated at all stages.

IS Subgrants to NGO Consortia (2) In terms of the project's IS efforts, the subgrants to CIDRA in Ayacucho and CIPDER in Cajamarca rank among the most significant and productive. Though begun with varying degrees of difficulty, and still needing improvement, the IS training they have

provided has resulted in a real awakening among participating NGOs as to the importance of having a longer-term vision for their organizations and of more clearly focusing their efforts. The project has targeted IS training at the NGO level, while techniques and approaches to the strengthening of the consortia themselves were not directly addressed. Therefore, maximum advantage was not derived from this opportunity to capitalize on their considerably broader potential for the reduction of poverty. If the project had given greater priority to working with and through such site- or issue-specific entities, its overall impact would have been increased significantly.

Development Subgrants (14) Due to field conditions and lack of experience, many subgrantees went through a troubled period before getting their projects up and running. Given these early difficulties, overall costs per beneficiary were high. Many grantees, however, eventually emerged with quite solid projects and lower per-beneficiary costs. PACT technical assistance and monitoring played an important role in assisting NGOs to bring their activities to this level of relative efficiency and effectiveness, and also in linking NGOs to one another to share experiences.

PMU Organization & Administration Inter-personal tensions among PACT staff have diminished the PMU's capacity to analyze and produce well-integrated plans and activities. PACT's overall good reputation is being diminished because the PMU is seen to be partially dysfunctional. PMU relations with USAID have been adversely affected by differences of opinion about project management, particularly the USAID Project Manager's perception that too many activities are being implemented without sufficient analysis as to their relative importance, cost and relationship to overall project objectives. The USAID reengineering process and the adoption of new IR indicators further exacerbated this situation. PACT's relations with higher-level Mission officials appear to be quite good.

PACT information systems are adequate to manage this project. Financial accounting appears appropriate and the monitoring of subgrants has been well handled. Information of many types is available to PACT from a variety of sources. However, the PMU has yet to analyze much of this information in order to use it in decision-making concerning its own activities or for broader strategic purposes. Its reporting to USAID reflects this analytical deficiency. PACT's baseline information on institutional strengthening is flawed. The new instrument being used in the second round (to be completed in August 1997) is much improved, these new data will serve to measure future progress, but relating this new set of data to the earlier one will be difficult. The ECFAM system, created to track the economic progress of subgrant activities at the family level was refined after its first application, with the second round now in progress. Though development costs were relatively high, it will not be possible to judge the cost-effectiveness of this investment until after the second round of data have been collected and analyzed later this year.

Program Cost PACT's slow start with relatively high costs for little in return during the first years of the project skew any measure of cost as related to project impact. Now that PACT has developed the central elements of its training and other activities, it is in a position to further increase the level of effectiveness. This will require that the PMU consolidate its efforts and focus on investing only in certain key elements of its overall offerings, which still retain an overly-diffuse spending pattern.

The **eight Recommendations** offered are divided into four parts. Part One recommends that USAID/P and PACT work together to re-design future project activities, keeping in mind current SO

#2/IR indicators and ensuring that remaining resources and time available to the PACD (whether it be September 1998 or prolonged to September 2000 through a no-cost extension) are invested in a manner that capitalizes on the project's strengths and experience to date, while more sharply focusing its outreach. Two possible Scenarios are then presented for consideration: the first lists four types of activities for the period to September 1998, while the second includes five if the PACD is extended to September 2000. These possible Scenarios are the basis of the recommendations presented in Parts Three and Four.

Part Two contains five general recommendations which call for postponement by USAID of the application of the first SO #2/IR indicator until such time as Mission personnel and the PMU have agreed upon the establishment of a baseline and the means for collecting data over time - something that is not feasible at present, that USAID hold pending application of indicators 2 and 3 dealing with "improved targeting" of NGO activities and resources until there is agreement as to how NGOs are to be educated about the rationale behind this and mutually-acceptable incentives are built into project activities, greater USAID/PACT coordination to ensure that long-standing differences of opinion concerning the project's direction between the USAID Project Manager and the PMU Director are put to rest and a clear understanding is reached by both parties concerning the manner in which the Mission's "substantial involvement" will be exercised under this CA, consideration of whether or not PACT should include NGO training for other SO teams, such as SO 1 and SSO 5, in its 1998 work plan, improved relations within the PMU, and efforts by PACT to clear up any misunderstandings that exist between the project and key GOP agencies with which it works, particularly with SECTI which is PACT's official counterpart.

The recommendation contained in Part Three is based on a PACD of September 1998, and calls for project consolidation. PACT should develop a comprehensive Work Plan, consolidating its activities and targeting specific strategic areas. It is then recommended that the Work Plan include close-out of all development subgrants as scheduled in September 1997, one-year extension of CIDRA and CIPDER IS subgrants, making ECFAM software and manuals available to the NGO and donor communities, decision by USAID/PACT as to whether professional case studies should be conducted on the best subgrants, continuation and improvement of training in basic IS, SISCONG, and PPAL, adding an additional module (#6) to the Basic Training Program to address key technical subjects, formulation of a comprehensive training plan containing all of the foregoing elements, for which a staff member other than the Director should be made responsible, and documentation/dissemination of methodologies and results to the NGO and donor communities and among relevant GOP offices.

Part Four is based on a PACD of September 2000. In addition to all foregoing recommendations it calls for project re-design by USAID/P and PACT, aligning it more closely with USAID's broader priorities involving NGOs, particularly SO 1 and SSO 5, and production by PACT of a new strategic plan, logframe and Work Plan for 1999-2000. Also recommended is the re-configuration of the PMU staff to include professionals with solid organization development (OD) methodological skills and experience, shifting the locus of IS training to within the consortia and NGOs targeted and away from a workshop setting, and a modest amount set aside in the budget for mini-grants to NGOs for specific high-impact purposes, with results carefully documented and disseminated, and for any case studies deemed desirable.

AID EVALUATION SUMMARY PART I

- 1 BEFORE FILLING OUT THIS FORM READ THE ATTACHED INSTRUCTIONS
- 2 USE LETTER QUALITY TYPE NOT DOT MATRIX TYPE

IDENTIFICATION DATA					
A Reporting AID Unit Mission or AID/W Office USAID/Peru/FFD (Es# _____)		B Was Evaluation Scheduled in Current FY Annual Evaluation Plan? Yes <input checked="" type="checkbox"/> Slipped <input type="checkbox"/> Ad Hoc <input type="checkbox"/> Evaluation Plan Submission Date _____		C Evaluation Timing Interim <input checked="" type="checkbox"/> Final Ex Post <input type="checkbox"/> Other <input type="checkbox"/>	
D Activity or Activities Evaluated (List the following informations for project(s) or program(s) evaluated if not applicable list title and date of the evaluation report)					
Project No	Project Program Title	First PROAG or Equivalent (FY)	Most Recent PACD (Mo/Yr)	Planned LOP Cost (000)	Amount Obligated to Date (000)
	PVO Support Project	9/30/92	9/29/98	\$13 6 million	
ACTIONS					
E Action Decisions Approved by Mission or AID/W Office Director				Name of Officer Responsible for Action	Date Action to be Completed
Action(s) Required					
APPROVALS					
F Date of Mission or AID/W Office Review of Evaluation (Month) (Day) (Year)					
G Approvals of Evaluation Summary and Action Decisions					
	Project Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director	
Name (Typed)					
Signature					
Date					

ABSTRACT

H Evaluation Abstract (Do not exceed the space provided)

The PVO Support Project was initiated in September 1992 through a six year Cooperative Agreement (CA) with Private Agencies Collaborating Together (PACT). Its purpose is to promote the social and economic development of the poorest population with the assistance of NGOs working in the key sectors of agriculture, microenterprises and health. Activities in two major areas were included: strengthening the institutional capacity of NGOs to work more effectively with community organizations in providing services; and subgrants to participating NGOs for projects in the three targeted sectors. A total of 16 subgrants was awarded: 2 for institutional strengthening (IS) and 14 for development projects. This mid-term evaluation was conducted by an MSI team on the basis of a review of project documents (including USAID/Peru's current Results Framework and indicators), visits to three Departments of the country, and interviews with NGOs, other donors, GOP officials, and project personnel. The objective was to review project performance in terms of institutional strengthening of participating NGOs, determine the factors contributing to the performance of lack thereof, and make recommendations for the future. The major conclusions are:

- Due to complications on all sides, the major project direction (IS) was not addressed for the first 30 months. This slow start skews any measure of cost as related to project impact. Now PACT has developed the central elements of its training and technical assistance, and is in a position to further increase effectiveness. This will require that PACT consolidate and more sharply focus its efforts, which still retain any overly diffuse spending pattern.
- Under reengineering this project was put under SO #2. In early 1997 the Mission adopted four SO #2/IR indicators not contemplated in the earlier project CA or subgrants, resulting in a disconnect which calls for retrofitting project activities and establishing appropriate baselines against which to measure future progress.
- IS training interventions involve a variety of approaches, some carried out directly by PACT and some by the two IS subgrantees (NGO consortia). Except for the latter, the sustainability of the IS activity is highly questionable, particularly if PACT does not remain in the country to capitalize on the experience gleaned. This is because while NGOs have received training in strategic planning, project design/logframe, accounting and other key subjects, there has been no significant transfer of IS training/consulting skills to the NGO community. Also, other types of organization development (OD) interventions are now needed.
- The design of development subgrants was appropriate to their objective of increasing family income or quality of life, but few actually addressed IS at the community level by including specific objectives and indicators.
- Unexpected results include development by PACT of special software for use by NGOs (SISCO'NG for accounting and ECFAM for tracking improvements in family level economic status), creation of an approach for Participatory Planning at the Local Level, switch by most NGOs from in-kind to cash credit funds, and creation of Networks of NGO accountants in eight parts of the country.

Evaluators offered eight recommendations divided into four parts. Part One: Overall Framework for Future Project Direction, calls on USAID/P and PACT to work together to re-design activities, keeping in mind current SO #2/IR indicators, while capitalizing on the project's strengths and experience and more sharply focusing its outreach.

Part Two contains five General Recommendations calling for: 1) USAID to postpone application of three of the four SO #2/IR indicators; 2) greater USAID/PACT coordination concerning the project's future direction; 3) exploring whether PACT should include services to other SO teams in its 1998 work plan; 4) immediate action by PACT to cement relationships within the Project Management Unit (PMU); and 5) concerted efforts by PACT to clear up any misunderstandings that exist between the project and key government entities.

Part Three addresses the period to the original PACD of Sept. 1998, should USAID determine this date stands. In addition to above General Recommendations, this part calls for project consolidation in which PACT should develop a comprehensive Work Plan, consolidating its activities and targeting specific strategic areas. It then addresses specific issues, including subgrants, ECFAM, case studies, training and dissemination of results.

In addition to all previous recommendations, Part Four calls for project re-design, should USAID provide full funding and a no-cost extension to September 2000. In this case, USAID/P and PACT should work together to align the project more closely with USAID's broader priorities involving NGOs, particularly SOs 1 and 2 and SSO 5. PACT should then produce a new strategic plan, as well as a new results framework and a detailed two-year Work Plan for the period 1999-2000. Elements of the new strategy should provide for staff re-configuration, adding professionals with solid OD methodological skills and experience and shifting the locus of IS training to within the consortia and NGOs targeted and away from workshop settings, and adding civic education/civil society to the comprehensive training program, and set aside a modest amount of project funds for mini-grants to NGOs for specific high-impact purposes, with results carefully documented and disseminated, also to be used for any professional case studies deemed desirable, such as the evolution of consortia or selected technical topics (i.e., NGO-operated credit programs, collaborative marketing strategies for rural producers, and the role of gender analysis in poverty reduction projects).

COSTS

I EVALUATION COSTS

1. Evaluation Team		Contract Number OR TDY Person Days	Contract Cost Or TDY Cost (U.S. \$)	Source of Funds
Name	Affiliation			
J. an M. Goodin	MSI	Purchase Order No. 527 0353 0	\$64,021.00	
Edward Glaeser	MSI	00-7178 00		

B

2	Mission/Office Professional Staff	3	Borrower/Grantee Professional
	Person Days (Estimate)		Staff Person Days (Estimate)

SUMMARY

Summary of Evaluation Findings Conclusions and Recommendations (Try not to exceed the three (3) pages provided)

Address the following items

- Purpose of evaluation and methodology used
- Purpose of activity(ies) evaluated
- Findings and conclusions (relate to questions)
- Principal recommendations
- Lessons learned

Mission or Office USAID/Peru	Date This Summary Prepared	Title and Date of Full Evaluation Report Final Evaluation PVO Support Project
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Purpose of Evaluation and Methodology Used This was the second external evaluation of this project since the CA was signed on September 30 1992. A Shakedown Evaluation was performed in May 1994 which led to amendment No. 6 of the CA in March 1995. That amendment relieved PACT of responsibility for the food assistance program and focused activities on the institutional strengthening of NGOs. The objective of this mid term evaluation was to: a) review the performance of the project in terms of institutional strengthening of participating NGOs b) determine the factors contributing to the performance or lack of it and c) make program and policy recommendations for the future. In evaluating the institutional strengthening component the unit of analysis was to be the NGO and impact was to be determined in terms of improved efficiency (cost of administration) and effectiveness (success in meeting goals objectives and target groups).

The methodology used included document review key informant interviews and focus group interviews. These were carried out in Lima and during trips to three other areas of the country (Ayacucho Cajamarca and Arequipa) for on site discussions.

Purpose of Activity Evaluated The original two fold purpose related to: 1) expanding the amount and increasing the development impact of PVO/NGO food assisted programs in the key sectors of health agriculture and enterprise development and 2) strengthening the institutional capacity of Peruvian NGOs to work more effectively with community organizations in the delivery of services in these key sectors. With urging from USAID/P in March/April 1994 PACT awarded 16 subgrants to Peruvian NGOs: 2 for institutional strengthening (IS) and 14 for development projects in the three sectors targeted. Amendment No. 6 (March 1995) eliminated involvement with food assistance programs and placed the focus more squarely on IS. The purpose included in the new *Global Plan* (October 1994/September 1998) was a range of NGOs institutionally strengthened and having achieved capacity and efficiency to be promoters of the sustainable development of the poor population located in the critical areas of the country. NGO interventions were to be in the three original key sectors (micro-enterprise agriculture and health). Indicators tended to relate to the subgrants already underway. In June 1995 USAID advised PACT that no funds would be available for further subgrants as had been envisioned.

In 1996 USAID/P began the process of reengineering. After much deliberation the PVO Support Project was put under SO #2 Increased Incomes of the Poor IR #4 Strengthened Organizational Outreach. By the time of this evaluation the IR had been changed to Increased Effectiveness and Efficiency of Organizations Providing Assistance to the Poor for which four indicators were adopted in early 1997.

Principal Findings and Conclusions

1. Project Design The original purpose objectives results activities and assumptions were feasible and logical. However the major direction outlined (i.e. IS) was not fully addressed until some 30 months into the project. Meanwhile the management of development subgrants diverted much of the Project Management Unit's (PMU) attention and staff resources. The project did not take sufficient advantage of existing NGO consortia having awarded IS subgrants to only two (Ayacucho and Cajamarca).

In line with amendment No. 6 in addition to the two IS subgrants to consortia PACT initiated a Basic Training Program for NGOs in areas other than Ayacucho and Cajamarca. This includes workshops technical assistance and follow on visits. The PMU also initiated other IS activities including technical training training NGOs to facilitate Participatory Planning at the Local Level (PPAL) national NGO conferences Best Project Directory Donor Directory and an NGO Directory.

PACT's 1997 Work Plan shows and evaluators found that project activities had not yet been fully adapted to produce the results called for in USAID's reengineered SO #2/IR performance indicators. Given the disconnect between the indicators selected by USAID and those included in PACT's subgrants to NGOs and in its own *Global Plan* it will not be feasible to apply fully the first three of the new indicators until such time as project activities are duly retrofitted and baseline databases created against which to measure future progress. Until USAID and PACT agree on a definitive PACD the practicality and details concerning such an investment of fiscal and human resources cannot be accurately assessed.

2. Institutional Strengthening The design and content of the first two of the three workshops in PACT's Basic Training course are effective and appropriate to the areas covered (i.e. NGO Management and Project Design). The logical framework is the most immediately practical and highly valued part of the course followed by strategic planning the greatest value of which is that it leads NGOs to launch participatory processes within their organizations while the format of the final plan itself leads to confusion between longer-term strategic plans at the institutional level and annual work plans at the activity level. No specific approach to educating NGOs about the rationale behind USAID's choice of IR indicators dealing with the transfer of activities and resources to very poor districts had yet been incorporated into that component. TA is readily available to trainees by contacting the PMU and during site visits follow up with trained NGOs between courses would be improved through more verbal contact and fuller discussions at the offices of the NGOs during longer site visits.

The third and final workshop deals with Financial Management and has been effective in strengthening NGO accounting capabilities. This module had not yet been adapted to with SO #2/IR indicating concerning reduced administrative costs. This workshop ends with an introduction to PACT's SISCONG software for NGO accounting for which additional training is offered. While subsequent SISCONG training is well designed and effective the system itself still needs improvement to be most useful to NGO accountants. Because of the absence of a way to track administrative overhead costs at the institutional level a component is needed for administering NGO credit portfolios.

There is no proactive plan or strategy for providing technical training to NGOs that have participated in the Basic Training course as originally envisioned. It is rather a reactive approach for strengthening NGO technical capacity. It is now important to choose the areas that NGOs perceive to be most critical such as credit marketing and gender analysis and specialize only in those subjects through well designed in depth training modules.

A I D EVALUATION SUMMARY - PART II

SUMMARY (Continued)

PPAI is aimed at stimulating a collaborative process for involving communities, government and business leaders and potential funders in the formulation of district level development plans. This involves three workshops spread over time to train NGOs and others in working with grassroots groups. However, in terms of active grassroots involvement, the process culminates with a list of problems prioritized by the communities involved. Lists are then packaged by specialists into district level plans which are then presented to potential donors at fairs while not engaging community members in the formulation of the plans presented. If re designed to involve citizens more fully in the entire process, the overall initiative would be strengthened and a greater measure of civic education would also result.

The cost of IS training is difficult to calculate since it involves a variety of approaches in which the same NGOs often participate. However, expenses for Basic and SISCONG training seem reasonable. Costs for PPAL, however, seem high and would be reduced while making the program stronger by revising the basic design to increase the active involvement of community members and reduce that of outside specialists.

While it must be recognized that sustainability of the IS program was not a specific project objective, this evaluation leads to the conclusion that, except for the two IS subgrants to consortia, its sustainability is highly questionable, particularly if PACT does not remain in country to capitalize on the experience gained. This is because while NGOs received IS training, there has been no significant transfer of IS training/consulting skills to the NGO community; no cadre of local IS specialists has been developed. The NGOs already trained now need other types of organization development (OD) interventions which could be built into future IS strategies.

3 Development Subgrants Subgrant designs were appropriate to their objective of achieving increased family income or quality of life. However, few actually addressed IS at the community level with specific objectives and indicators. Due to field conditions and lack of experience, many subgrantees went through a troubled period before getting activities up and running. Therefore, overall costs per beneficiary were high. Nevertheless, many eventually emerged with quite solid projects and improved efficiency (lower per-beneficiary costs). PACT TA and monitoring played an important role in helping NGOs bring their activities to this level of relative efficiency and effectiveness and in linking NGOs to one another to share technical and administrative experience.

4 IS Subgrants to NGO Consortia In terms of the project's IS efforts, these two subgrants rank among the most significant and productive endeavors undertaken. IS training provided by the two consortia has resulted in a real awakening among NGOs as to the importance of having a longer term vision and of more clearly focusing their efforts. However, those courses are beginning to reach the stage of diminishing returns.

5 PMU Organization and Administration Inter personal tensions among PACT staff have diminished the PMU's capacity to analyze and produce well integrated plans and activities. The non-togetherness of PMU staff has been widely noted by people in a range of institutions with which PACT works. Many of these outside impressions have to do with the recent dismissal of two key PACT staff members.

PMU relations with USAID have been adversely affected by differences of opinion about project management, many of which appear to relate to the overall approach which involves numerous activities without sufficient thought and analysis of their relative importance, costs and relationship to overall project objectives. The USAID reengineering process and the adoption of new IR indicators resulted in a further disconnect between the SO and the project. A concerted effort at rapprochement between PACT and the USAID Project Manager is overdue. PACT's relations with other higher level USAID officials, who are largely free of the day-to-day details, appear to be quite good.

6 Program Cost PACT's slow start with relatively high costs for little return in the first years skew any measure of cost as related to project impact. Returns on investment in 1995 showed considerably improved project efficiency, results and impact. Now PACT is in a position to further increase the level of effectiveness. This will require that PACT consolidate its efforts and focus on investing only in certain key elements of its overall offerings, which still retain an overly diffuse spending pattern.

7 Coherence of the Project The hypotheses implicit in the current design are realistic, though they were not duly addressed for the first 30 months or so. Also, unexpected results include the establishment by members of the two IS consortia of separate entities for administering credit programs, the switch to cash from in-kind credit, development of SISCONG and ECFAM software, the eight Accountants Networks, and development of PPAL as a mechanism for district level development planning.

8 Information and Monitoring System PACT information systems are adequate to manage this project. Financial accounting appears appropriate and the monitoring of subgrants has been well handled. Costs for development of the ECFAM system for measuring progress of development subgrants were relatively high; it will not be possible to judge the cost-effectiveness of this investment until after the second round of data have been collected and analyzed later this year. IS baseline from PACT's first round of data collection on participating NGOs is flawed. The new instrument used by the PMU in the second round to be completed in August 1997 is much improved. Information of many types is available to PACT, which has yet to analyze much of it for use in decision making. PACT reporting to USAID reflects these analytical deficiencies. To date, it has not been effective in discussing the meaning and strategic significance of the various achievements or deficiencies of the project.

Principal Recommendations

PART ONE Overall Framework for Future Project Direction

1 USAID/P and PACT should work together to re-design future project activities, keeping in mind current SO #2/IR indicators and ensuring that remaining resources and time available to the PACD (whether to September 1998 or 2000 or some other date) are invested in a manner that capitalizes on the project's strengths and experience to date, while more sharply focusing its outreach.

Two major scenarios are presented for consideration. The first to September 1998, the current PACD, and the other to September 2000, should USAID approve a no-cost extension. Specific recommendations for each scenario are presented in Parts Three and Four. In Scenario One, since development subgrants are to end in September 1997, close out procedures will require PMU attention to the end of the year. Thus, only those activities already in process would continue, while experience is duly documented and disseminated. PPAL and Basic Training initiatives are refined and improved. In Scenario Two, the PMU and USAID re-design the project and its rationale is re-cast to bring it into closer accord with USAID's broader priorities involving NGOs, particularly SOs 1 and 2 and SSO 5.

SUMMARY (Continued)

PART TWO General Recommendations recommendations 2 through 6 deal with Mission indicators for the SO #2/IR USAID/PACT coordination services to other USAID SO teams PMU administration and relations with key GOP agencies

PART THREE Close Out in September 1998

PACT should develop a comprehensive Work Plan consolidating its activities and targeting specific strategic areas Elements to be included in the Work Plan are then recommended

PART FOUR Close Out in September 2000

In addition to all recommendations contained in Parts One through Three USAID/P and PACT together should re design the project to the new PACD aligning it more closely with USAID's broader priorities involving NGOs particularly SOs 1 and 2 and SSO 5 PACT should then produce a new strategic plan as well as a new results framework and a detailed two year Work Plan for 1999 2000 Elements of the new strategy should provide for staff re configuration and mini grants

ATTACHMENTS

k. Attachments (List attachments with this Evaluation Summary always attach copy of full evaluation report even if one was submitted earlier attach studies surveys etc from on going evaluation If relevant to the evaluation report)

COMMENTS

Comments By Mission AID/W Office and Borrower/Grantee On Full Report	
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CHAPTER I BACKGROUND

1 DESCRIPTION OF THE USAID/PACT COOPERATIVE AGREEMENT

On August 23 1992, USAID/Peru approved a Project Paper for activities designed to work with and through U S PVOs and Peruvian NGOs to reach the most severely disadvantaged segments of society. The project focused particularly on areas where GOP programs were not serving effectively. It was designed to increase the participation of the private, non-profit sector in development efforts in two major ways: by providing funding and technical assistance to support new or expanded developmental initiatives that took full advantage of NGO knowledge of and linkages with local communities, as well as governmental institutions, to more effectively involve them in local development; and by providing support for strengthening NGO institutional capacities in terms of their ability to formulate strategies, plans and budgets and to organize internally.

The design of the project, as reflected in the Logical Framework included in the Project Paper, was clearly elucidated, as follows:

Overall goal: Promotion of broad-based sustainable economic growth through the increased participation of Peru's poorest groups in the national development process.

Two-fold purpose: 1) expanding the amount and increasing the development impact of PVO/NGO food-assisted programs in the key sectors of health, agriculture, and enterprise development, and 2) strengthening the institutional capacity of Peruvian NGOs to work more effectively with community organizations in the delivery of services in these key sectors.

The Project Paper delineated three types of support to be made available to NGOs:

- i Institutional Development Subgrants of up to \$150,000 each for up to 18 NGOs,
- ii Development Activities Subgrants of from \$100,000 to \$1,000,000 each to a maximum of 14 NGOs
- iii A range of institutional strengthening training and technical assistance independent from any subgrant funding and to be provided directly by the Project Management Unit (PMU) to up to 25 NGOs

The Project Paper also included well-devised descriptions of each project component, criteria and procedures for approval of subgrants, as well as the selection of NGOs to receive training, along with an overall project strategy with accompanying analyses. It describes vividly the then-prevailing context of the project: continuing terrorist activities, large portions of the Sierra long cut off from normal government or developmental services; heavy narcotics trafficking, severe economic stress and hyperinflation. It explains how the project is designed to support the then-nascent economic and political reforms of the GOP for promoting broad-based economic development, which had begun to help, but had yet little effect on improving the lives of Peru's chronically poor, in fact, such reforms had contributed to the rapid increase in their number.

Against this backdrop, an RFP was issued calling for U S PVOs or NGOs to bid. A Cooperative Agreement (CA) between USAID and PACT was signed on September 30, 1992 for the implementation of this support project, formally titled "Project for Support of Non-Governmental Organizations." The project budget was established at \$13,600,000 to be drawn down over a period of six years (September 30, 1992 - September 29, 1998).

The project objectives in the CA remained as described above. The phrase in Purpose number 1 above, which refers to "food-assisted programs," applied to PACT's early work in the country. Per the terms of the CA, PACT, in addition to its subgrant and institutional strengthening activities, was also to work with the five U S PVOs implementing USAID's Title II program in order to improve the information system and monitoring of the overall food assistance program.

PACT's work began in Lima in November 1992. It was not until July 1993 that the PACT Chief of Party could take up full-time residence in the country. Until then, he was there for only a month at a time due to Mission security concerns. PACT staff was brought to its full complement of seven employees in September 1993, when three additional key personnel were contracted.

In these early unsettled months of the project, PACT's limited staff had grappled with food monitoring issues and the important task of becoming familiar with the Peruvian operational context and NGO community. An NGO assessment was carried out during this early stage as a basis for the formulation of institutional strengthening activities. However, as one USAID official pointed out, this was not an in-depth assessment of NGO capabilities, deficiencies and needs. Rather, it was essentially a directory of NGOs - a survey that provided basic data on their institutional identity. Reportedly, the lack of information on NGO structures, operations, implementation problems and relations with other public and private entities made it impossible for PACT to develop and propose a specific strategy or to effectively design specific activities to address issues related to strengthening these institutions.

For whatever reasons, the strategy laid out in the Project Paper was not adhered to by PACT, neither did it devise or present to USAID an alternative strategy. Nonetheless, in view of the long delay in getting the project off the ground, and the consequent vulnerability of its future, the USAID Mission pressured PACT to move ahead aggressively in programming subgrants.

In October 1993, only a month after reaching its full staff complement, PACT solicited project proposals through a general announcement to the NGO community. Over 800 proposals were received. These were screened by the PMU, which sent the best 104 to USAID for final selection. The Mission identified 16, and PACT arranged to negotiate and sign agreements with those NGOs. Although the PMU identifies all 16 simply as "subgrants," 14 were what the original Project Paper called "development activities subgrants," while two were "institutional development subgrants," which involved consortia.

The subgrant agreements were signed in March and April 1994. In April of that year, a six-week formative evaluation began, as stipulated in the original project plan. That appraisal, carried out by a single consultant, was highly critical of PACT's work in the 17 months it had operated in Peru with an expenditure of over \$1 million. That report, titled "Shakedown Evaluation," led to a flurry of changes in the project: the resignation of the COP in May 1994, the production by PACT of two

related plans a *Global Plan for the Period October 1994 to September 1998*, and a *Strategic Plan August 1994 to September 1998*, which was submitted to USAID in September 1994. A new COP was assigned in October 1994.

This period of intense activity led to amendment of the CA in March 1995. The amendment (No 6) relieved PACT of any responsibility for the food assistance program and focused the project exclusively on the institutional strengthening of NGOs, for which the subgrant program would function as a component of the strengthening process.

That done, however, for reasons related to budget restrictions, in June 1995 USAID advised PACT that no further funds would be available for subgrants. PACT had intended to continue a combined institutional strengthening and subgrant strategy, but with the latter done in a much more studied manner than in the first round, by giving up to 25 additional subgrants to particularly promising NGOs - five each in the five geographic areas in which activities were focused. In lieu of supporting subgrants directly, PACT shifted to attempting to link NGOs that had well-formulated proposals and well-developed capacities with other funding sources. In line with the changes indicated in the CA, in 1995 PACT proceeded to develop and implement a range of institutional strengthening workshops, events and related activities, as described in Chapter II of this report.

While most of these activities related directly to increasing the institutional capacity of NGOs, some seem less related than others. It was not easy to ascertain which NGOs were vital, and which were less so, by referring to the newly-devised logframe that accompanied PACT's "Global Plan." That logframe became the basis on which the project was to be implemented. The complete Logical Framework is attached as *Annex A*.

In the **Global Plan for October 1994/September 1998**, the goal is postulated as "Sustainable increase in the quality of life of Peru's poorest population living in critical areas of the country, through NGO interventions in the key sectors of micro-enterprise, agriculture and health."

This goal appears to relate more to the then-prevailing subgrant program and the achievement of specific sectoral changes, than to some more global achievement expected to result from institutional strengthening, per se. Indicators included at the goal level relate not to institutional development factors, but rather remain focussed on measuring the progress of PACT's subgrants. The indicators are

- a 50% income increase in populations benefitting from projects financed by PACT by the end of the project
- agricultural production destined for the market among those benefitting from PACT subgrants increased by 100%,
- a decline of 50% in acute malnutrition in children under five among subgrant beneficiaries, a 25% reduction in general morbidity in zones benefitting from PACT subgrants

Project Purpose A range of Peruvian NGOs institutionally strengthened and having achieved capacity and efficiency to be promoters of the sustainable development of the poor population located in the critical areas of the country

Two of the four purpose-level indicators in the logframe as with those above, relate to the subgrants. Only the first and last on the list that follows deal with wider institutional development factors and both call for use of a measuring tool designed to establish a baseline, to be repeated in order to measure change. We found that the administration of the baseline tool was uneven, and that the measuring device used is flawed in concept, as will be explained later in this report. The purpose indicators are

- 210 NGO's institutionally strengthened as measured by a questionnaire/interviews and direct observation by PACT: weak NGOs (less than 50 on the Strengthening Index) increased their rank by 50%; medium NGOs (from 50 to 70) increased their rank by 35%; strong NGOs (over 70) increased by 20%;
- 100% of the economic activities such as micro-enterprises, revolving loan funds and marketing, promoted by NGOs through the subgrants operating without subsidies at project conclusion;
- 30 NGOs with PACT project funding achieved on average 90% of their results and at the same time 100% of these operate with decreasing unit costs as their projects are implemented over time;
- 6 NGO consortia increase their institutional strengthening index by an average of 50%

These indicators at goal and purpose level are followed by a long list of outputs and indicators grouped into four result categories, many of which are duplicative of the indicators used at higher levels, are extremely difficult to measure, or call for completely subjective judgements. Only in a few cases (i.e., number of instances of district coordination, number of NGOs with diversified funding, number of NGOs broadening project coverage by moving into additional areas of critical poverty) are they factually-based.

The input level of the project includes six major categories which list some 41 major and minor activities, undifferentiated by size, scale or importance. This extensive list calls into question the coherence of the project, reinforcing the observations of a range of people from NGOs, donor and government agencies, as well as at USAID, whom the MSI team interviewed in the course of this evaluation, and who indicated that PACT activities were varied and not sufficiently focused and measurable.

Enter USAID Reengineering In response to the Agency-wide initiative, in 1996 USAID/P began the process of reengineering, the Mission's Strategic Plan for the period 1997-2001 now postulates five strategic objectives. After considerable deliberation, the PACT project was placed under Strategic Objective #2, "Increased Incomes of the Poor," within what was described in the SOW for this evaluation as Intermediate Result 4 (IR#4) "Strengthened Organizational Outreach," which the SOW then notes "was included to improve NGO efficiency and effectiveness in providing

development services for the target population (poor and extremely poor) ' By late 1996, the SO team decided that the IR should be revised in order to clarify intended results In fact by the time this evaluation got underway that IR had been re-configured as 'Increased Effectiveness and Efficiency of Organizations Providing Assistance to the Poor " and re-numbered as IR#2 5 An October 1996 report titled *USAID/Peru Performance Monitoring System Development* by an MSI technical assistance team notes the SO #2 team's discomfort with the then-current set of indicators, a circumstance which led the team "to conclude that they are not articulated in operational terms referring more to summary concepts of what might be useful measures, rather than practical, on-the-ground indicators " The report further states "A proposal for operationalizing the indicators was presented by the PACT contract manager to the SO team," and explains that "PACT's proposed approach was relatively complex and did not indicate how multiple 'sub-indicators' would be aggregated/converted into the three summary indicators of organizational efficiency, effectiveness and operational management systems " Following that discussion, alternative indicators were identified and finally adopted in the first part of 1997 They are as follows

- i Number of USAID supported NGOs realizing a reduction in administrative costs at either of two levels 1) 10-15% or 2) over 15% to be measured using accounting records of NGOs and applying a formula of administrative costs over administrative + program costs
- ii Number of USAID supported NGOs that meet or exceed expected levels of improvement in targeting poor districts as measured by the percentage of program costs expended as reported by NGO management
- iii Value of NGO resources shifted to focus on the poor (to be measured in terms of funding shifted to very poor districts with information collected as in the preceding indicator)
- iv Number of organizations that use management systems defined as logframe, operational monitoring system and effective accounting systems

In compliance with USAID's reengineering mandate, PACT's 1997 Work Plan, dated January 1997, included a Results Framework (see [*Annex A*](#)), rather than relating back to the logframe in the Global Plan Three project-level results, tailored to fit with the Mission's SO 2, along with their respective indicators and assumptions, were included

	<u>Results</u>	<u>Indicators</u>	<u>Key Assumptions</u>
1	NGO efficiency	1 Indirect Costs	1 Increase in economy of scale 2 Efficiency as a management goal
2	NGO Effectiveness	1 Compliance with plans and objectives 2 Replicability 3 Population coverage 4 Geographic coverage 5 Financing	3 Management goal 4 Systems impress donors 5 Technical capacity impresses donors 6 NGOs apply systems
3	Management Systems Functioning	1 Planning 2 Information 3 Accounting 4 Knowledge	

The Plan notes that the activities outlined continue to be numbered as before (i.e., in accordance with the logframe in the Global Plan), pending acceptance of the new Results Framework. Up to the time of this evaluation, formal acceptance of PACT's 1997 Work Plan was still pending. So, in essence, while project-level results were worded to coincide with the Mission's SO #2/IR#4, with project activities re-arranged into those new categories, 1997 activities basically followed the 1994 Global Plan. (See further discussion in section 5 of Chapter II.)

Project expenditures to April 1997 amounted to \$6,782,221 of the total obligated amount of \$8,415,792.

2 OBJECTIVE OF THE EVALUATION

As stated in the Scope of Work (SOW) included in this contract between USAID/P and MSI, the objective of this evaluation is to "a) review the performance of the project in terms of institutional strengthening of the participating NGOs, b) determine the factors contributing to the performance or lack of it, and c) make program and policy recommendations for the future."

It is also stated that, "In the process of evaluating the institutional strengthening component, the unit of analysis shall be the NGO, and impact shall be determined in terms of the improvement of its efficiency and effectiveness." The word "efficiency" is then defined as "the cost of administration" while "effectiveness" is defined as "success in meeting goals, objectives, and target groups." (See Statement of Work in Annex B.)

3 METHODOLOGY

In accordance with the SOW, MSI fielded a team of two specialists to carry out this evaluation. Senior Associate Joan M. Goodin served as Chief of Party (COP), while Associate Edward Glaeser, a development/administration expert, also served on the team. The final Work Plan accepted on day

four of the assignment by the USAID Project Manager (see final Work Plan in Annex C), provided a specific schedule of interviews and site visits, as well as a synthesis of "Major Topics for Review "

Prior to departure from Washington a one-day Team Planning Meeting (TPM) facilitated by an MSI specialist and including both members of the team, was held at MSI headquarters. This served to confirm the team's common understanding of the task at hand, to discuss the project documents that had been provided by both USAID/P and PACT, and to begin formulating a draft Work Plan, which was subsequently finalized in Lima and accepted by the USAID COTR. Once that Plan was accepted, the team developed appropriate data collection instruments for use during the interview process.

The methodology employed by the team during the course of this evaluation included four main approaches: a) document review (see Annex D for list of Documents Consulted), b) key informant interviews, c) group interviews, and d) focus group interviews (see List of Persons Contacted in Annex E). The process included discussions in Lima with key actors (USAID, PACT, GOP representatives, Peruvian NGOs and U.S. PVOs), as well as trips to Ayacucho, Cajamarca, and Arequipa, where the team held discussions with participating NGOs, local/provincial government officials, community representatives/members, and others. While in Ayacucho and Cajamarca, a total of three days was dedicated to traveling to rural project sites, accompanied by the NGOs providing assistance to citizens in the areas visited.

Having noted the absence of valid baseline data concerning the degree to which participating organizations had been strengthened institutionally, during NGO interviews the MSI team applied an instrument rooted in years of solid research/documentation on how organizations evolve. This allowed us to measure the degree of strengthening perceived to have been accomplished, at least by those directly involved. For this purpose, evaluators first explained to those interviewed (whether individually or in groups) the *Organizational Life Cycle*, showing them a chart drawn up for this purpose (see Annex C). Then, interviewees were asked to explain where they see their organization now, and where it was in April 1994 when project activities began. The chart includes two major stages of evolution (Heroic Phase and Maintenance Phase), separated by a juncture or period of transition. Maintenance then leads ultimately to a second juncture, leading either to the Renewal of the organization or to its Decline and possible extinction, depending upon the success with which this juncture is negotiated. It is also explained that each of these phases and transition periods can last any length of time, the duration varies from one organization to another, depending on the nature of the internal pressures generated, and the external forces at work in the overall context.

The MSI team held on-going discussions with USAID Mission officials and the PACT staff, and conducted individual and group interviews with others in the places visited. A total of **139 individuals** were interviewed during the course of this evaluation. They represent **33 NGOs**, **six foreign donors**, the office within the Ministry of the Presidency (**SECTI/MIPRE**) named by the Government of Peru (GOP) as PACT's official counterpart agency, plus other key informants.

4 ACKNOWLEDGMENTS

In transmitting this report, the MSI team wishes to express sincere appreciation to USAID/Peru for having given us this opportunity to learn about and assess the current status of Peruvian NGOs.

dedicated to poverty reduction. We are particularly grateful to Project Manager Juan Robles for his guidance and support as well to Mission Director Donald Boyd, Deputy Mission Director Joe Lombardo, RDO Chief Harry Wing and other Mission personnel who shared their thoughts and experience with us. In addition, we wish to express our heartfelt thanks to PACT/Peru project Director Kris Merscherod and his staff for their ever-ready cooperation and willingness to provide key documentation, help arrange in-country travel and share the personal insights they have gained from managing and implementing project activities.

Finally, and perhaps most importantly, we take this opportunity to transmit our deep appreciation to the many citizens of the communities visited, as well as to representatives of the NGO, government and donor communities and others with whom we spoke, for having given so generously of their time, experience, and personal knowledge.

Thanks to the splendid support and cooperation of all concerned, for the MSI team this experience was both professionally and personally satisfying.

CHAPTER II PROJECT IMPLEMENTATION

1 INTRODUCTION

Clearly, the last half-decade has marked a significant period of socio-economic and political transition in Peru. Following the capture of the chief terrorist leader, the country began a process of pacification and reconstruction, which is clearly discernable in the rural areas of the high Sierra. Based on the opinions, perceptions and experiences of those interviewed, the role of NGOs in Peru is also in transition. This was further validated during the team's on-site observations in Ayacucho, Cajamarca and Arequipa, as well during discussions in Lima, and in accounts by the media.

Before 1980, and the advent of a 15-year period of terrorist-sponsored violence, Peruvian NGOs tended to act as providers of assistance to the needy - a practice promoted throughout Latin America by the Catholic church over the centuries. However, efforts to eliminate poverty led to the conviction that what was needed was *development*, rather than welfare. Therefore, despite the difficulty of working in areas marked by violence, some Peruvian NGOs also began to shift their focus to such areas as watershed management, agricultural and cattle production, community development, and so forth. Having come through that violent period, and with the initiation of the current government's War on Poverty, many Peruvian NGOs began to see themselves as serious development actors. Moreover, government agencies created to fight that War, but lacking the skills and outreach capacity needed to ensure success (particularly FONCODES) saw NGOs as a means to reach isolated populations in the most damaged areas. That, plus a parallel retrenchment of the State's labor force, stimulated the creation of dozens of new NGOs, many of which were founded by only a few unemployed professionals. As one key informant said, 1993 saw a "boom" of NGOs - many of which disappeared after having completed a single infrastructure project funded by the government.

The current perception of NGOs in Peru, as expressed by State and private sector actors, as well as by international donors, is that NGOs (unlike State agencies) have both the technical skills and access needed to successfully channel support to the most impoverished sectors of the population. For example, USAID/P reports that about half of its portfolio is being implemented through NGOs/PVOs. Indeed, the perception of NGOs as critical actors in the development process was at the heart of the NGO Support Project design, here under study.

In addition, there appears to be a growing (though still incipient) sense of community among Peruvian NGOs themselves. This is apparent in the evolution of networks, coordinating bodies and consortia tied to specific geographic areas or substantive sectors, as well as in the gradual strengthening of a national NGO association which, among other things, seeks to represent NGO interests in the policy arena.

As NGOs seek to hone their development skills, other important factors have emerged to shape the overall context. These include an elaborate decentralization process passed into law and supported by the government, and the consequent need to strengthen local government capacity, as well as the stated intention to revise the *Legal Norms on International Technical Cooperation* passed into law in 1992, which govern NGO legal status. Moreover, the pacification process, together with the re-

structuring of the economy and the taming of inflationary tendencies have led to increasing levels of foreign investment and international donor support

In short it appears that the current national transition represents a window of opportunity for Peruvian NGOs to play an important strategic role in the country's development efforts. To do so however will require significant strengthening of organizational skills and the further consolidation of the NGO community's capacity to dialogue effectively with the State, the private sector and other key interests

2 INSTITUTIONAL STRENGTHENING (IS)

The design of the NGO Support Project was anchored in a two-pronged development hypothesis a) the provision of institutional strengthening for NGOs working in the 419 districts identified by the GOP as the poorest areas of the country would result in a reduction of poverty, and b) subgrants to the NGOs working in those areas for the execution of integrated projects which include agriculture, health and microenterprise components would make grantees stronger institutionally

This section addresses the first part of that hypothesis, including the two institutional strengthening subgrants given to NGO consortia in Ayacucho and Cajamarca, while the next section deals with the 14 subgrants awarded for integrated development projects

Findings

The May 1994 Shakedown Evaluation found that "The Institutional Strengthening Component has barely gotten off the ground after 19 months. This cornerstone project component lacks focus. [It has] no strategic plan. The Sub-Grant Project Component has dominated project implementation to date." It was pointed out that only the two subgrants awarded in April 1994 to NGO consortia in Ayacucho and Cajamarca specifically addressed this key issue.

USAID officials asserted that there was ample evidence in the early stages of the project that PACT did not demonstrate an understanding of how to approach the institutional strengthening of local NGOs or how to implement such an activity. One official recalled that in early 1994, staff of the Mission's food aid division (FFD), who were also responsible for overseeing the NGO Support project, had made attempts to deepen the project's institutional strengthening component. For example, because the planning and programming elements of the food aid program needed review FFD staff arranged for a special workshop from March 6-11, 1994. Convinced that PACT staff required the same type of training, they encouraged PACT to send its key programming staff to that "Logical Framework Workshop," five senior project staff did indeed participate. Reportedly, this proved to be a turning point for PACT staff and for their ability to share good planning and programming concepts, within the structure of the logical framework, with the participating NGOs. Indeed, as discussed below, the logical framework became a sort of jewel in the project's IS crown.

In line with Amendment 6 of March 1995, the project was re-designed to give greater weight to this component. This included two major approaches:

- a) initiation of a Basic Training Program to be carried out directly by PACT for NGOs in selected areas other than Ayacucho and Cajamarca including workshops, technical assistance and follow-on visits, and
- b) continuation of the subgrants made in April 1994 to the two NGO consortia responsible for the planning and implementation of training courses for strengthening NGOs in Ayacucho and Cajamarca

In addition a number of other initiatives have been developed to reinforce the IS component of the project These are also discussed in this section

A Basic Training Program

To launch this activity, in January 1995, PACT contracted a local consulting firm, Atinchik, to design, conduct and provide follow-up for NGO institutional strengthening The first training cycle (5 workshops) took place between March and November 1995 Courses were held at Atinchik's training center in Pachacamac Some 96 NGOs from Cusco, Huanuco-Pasco, Huancavelica, Cajamarca and Ayacucho attended

Reportedly, financial management issues were not suitably covered in the initial design, resulting in a call by participants for their inclusion in subsequent sessions (something that had been loosely piloted in April 1994 by the PACT Comptroller while working with the CIDRA Coordinator in Ayacucho) After only one or two follow-up visits by representatives of Atinchik and PACT, the Atinchik contract was cancelled It was decided that a permanent Training Coordinator would be added to the PACT staff While Atinchik feels that the PACT institutional strengthening training initiative is sorely needed, and is a positive contribution to NGOs, it finds the criteria and process for selecting participating organizations to be lacking sufficient strategic analysis Also, the approach used by PACT staff during follow-up visits differed from that of Atinchik, with the latter seeing the former as too directive, and not sufficiently participatory

Following the addition of a full-time Training Coordinator in June 1996, the current version of PACT's Basic Training program was designed and first carried out in Lima from August 1996 to March 1997 at the request of USAID/ODIT for some 46 representatives of 17 Human Rights NGOs It included five workshops, with the first four spaced about a month apart, and the last some four months later The final program report of May 19, 1997, indicates that, of the 17 NGOs, 12 participated in follow-up activities, and that 7 had presented 8 project proposals to GRADE (ODIT's implementing agency), with 3 accepted, while 9 NGOs had presented 34 projects to other donors, of which 7 had been accepted and 27 were awaiting reply ODIT reports that there is a great need for strengthening these organizations (strategic planning, monitoring, etc), and that some NGOs seem to have improved as a result of the training However, ODIT also noted that it had higher expectations for the program which it describes as having met with 'mixed success,' noting that while NGO proposals look better, they lack substance and are not logical (The cost of this activity was covered under PACT's regular project budget)

For implementation outside of Lima, to reduce travel costs PACT adjusted the design of the Basic Training Program, making it possible to cover the same material in three (rather than five)

workshops lasting three to four days each and spaced over a period of several months. These **three workshops** consist of **five modules** as follows

- Management for Institutional Development
 - Organization & Human Resource Management
 - Strategic & Institutional Planning
- Design & Evaluation of Development Projects
 - Project Design & Operational Planning
 - Project Monitoring & Evaluation System
- Financial Management & Internal Control (Internal Control System, Budgets & Their Execution, Financial Statements)

The training program seeks to have three participants from each NGO represented: director, area chief/program head, and the person responsible for financial management. This obeys PACT's underlying philosophy, which, as stated by the COP, "stresses the importance of integrating the programmatic and financial management personnel of the NGO, plus the participation of all project personnel in the decision making process." Noting that the Peruvian NGO community tends to view field work as its main priority, with financial management as a secondary consideration, PACT holds that "This structure and management style are very much top down and not participatory."

During the Training Coordinator's first year at PACT, the Basic Training Program was delivered to a total of 85 NGOs in Lima (17 NGOs, ODIT), Arequipa (25 NGOs, Sept '96, Jan & April '97), Puno (25 NGOs, Dec '96, March & June '97) and Huaraz (18 NGOs, Feb & May '97, with the third workshop planned for the last quarter of FY '97). Each workshop involved from 30 to 52 participants, and in each case a local NGO was selected as PACT's counterpart to handle logistical arrangements. It was reported that participants pay US\$40 per basic training workshop directly to the hotel where they are held to help defray direct workshop expenses. The current plan is to extend the program to three new Departments in the North (i.e., Piura, Chiclayo, Trujillo) during the year beginning in September. Meanwhile, project staff are writing training manuals, based on above design and experience to date, for publication in August. The Training Coordinator explained that manuals will be for use by both trainers and individual NGO participants.

The methodology used includes presentations by experts on selected topics, videos, small group work, and the provision of relevant documents. Following the first workshop, participants are to return to their own NGOs to replicate the participatory planning process just learned, which is based on an environmental scan (internal strengths and weaknesses, and external opportunities and threats - "FODA" in Spanish). This is to result in the formulation of 5-year strategic plans, which are to include vision, mission, context analysis, strategic objectives, and activities (indicators and M&E are not included). They are then to send their strategic plans to PACT for analysis. PACT sends back written comments, and within a month or so two PACT representatives travel to the workshop site to meet with participating NGOs for a joint evaluation of the plan. The same procedure occurs after the second workshop, when participants are to send in project proposals based on the logical framework. This marks the formal end of Basic Training Program activities, as such, though some NGOs may choose to stay in touch or seek advice from time to time.

Our review of written analyses sent by PACT to NGOs about their strategic plans further validated comments by USAID/ODIT and by NGO interviewees in the field. That is, these plans are not truly "strategic" - they are rather mechanical FODA exercises that do not tend to lead to new objectives or approaches to meet those objectives. Indeed, the format used does not include the development of overall institutional strategies (as opposed to project-level approaches), and programmatic activities are left for annual work plans (Planes Operativos), rather than being incorporated into the strategic plan itself. Many NGOs interviewed indicated that, while they had sought guidance from PACT as to the inter-relationship of strategic and operational plans, no satisfactory response had been received. Moreover, it was reported by some NGOs that the written comments returned to them were the cause of considerable frustration - both because of their technical tone and NGOs' decided preference for verbal, rather than written, exchanges. NGOs also reported that subsequent PACT site visits for the purpose of jointly evaluating their plans were the cause of added frustration because the amount of time devoted to each NGO is insufficient. As described by one NGO, the PACT team is set up in a local office, with the different NGOs involved scheduled for only hurried, time-limited discussions, resulting in a fairly one-way feedback session. In a word, very few NGOs interviewed had formulated what would normally be considered complete institutional strategic plans.

Above findings are based on a review of reports and other materials in PACT's files, plus our trips to Ayacucho, Cajamarca and Arequipa, the latter of which is the only site we were able to visit where the PMU itself has conducted the Basic Training course (the first such training after the initial ODIT-sponsored Lima course). Unfortunately, it was not possible to travel to Huaraz, where the PACT Training Coordinator feels the Basic Training Program has been improved.

The first two workshops are facilitated by the PACT Training Coordinator, who has a part-time consultant as his assistant to record results at each event, plus a team of several other regular consultants and, on occasion, other PACT staff, who act as speakers and facilitators. The PACT Director generally gives the opening session in the series. Both staff and consultants are also used for the analysis of NGO plans and projects, as well as for on-site follow-up evaluations.

The third workshop on Financial Management & Internal Control also includes relevant documentation, videos, presentations by expert speakers, and small group work. Unlike the first two workshops, there is no specific plan for post-workshop follow-up with participating NGOs. The training is conducted by the PACT Comptroller, who conceived the course (with methodological design by an outside consultant) and who now has a separate training support team of three consultants. Excluding the original pilot in Ayacucho, this workshop has been conducted three times as part of the ODIT Human Rights training in Lima, and following the first two workshops in Puno and Arequipa. The plan is to continue with NGOs that have participated in the first two Basic Training workshops in Ancash, and also through CIPDER in Cajamarca.

This fifth module, which has expanded from two to four-and-a-half days, includes talks on such topics as The Challenge of Change, New Management Styles, Effective Boards and the Administration of Change, Strategic Leadership and Management in the Future, and the role of Computerized Information Management. While the issue of overhead, or direct/indirect costs, is mentioned during the workshop, the Comptroller reports that it will be given greater emphasis in the future, as the NGOs are not familiar with this concept (see further discussion below). During the final section of the workshop, the NGO Accounting System (SISCONG) created by PACT is

introduced and NGOs are invited to contact PACT if they are interested in attending a subsequent workshop designed specifically to teach that system. That is, SISCONG workshops are not part of the Basic Training Program.

PACT staff report that while this fifth module is an integral part of the Basic Training Program building generally on the concepts taught in the first two workshops (i.e., strategic planning and project design), it is managed and conducted as an entirely separate component. That is, there are two separate staff coordinators (Training Coordinator and Comptroller); each coordinator has his/her own group of consultants, who have never been called to meet together as a team. Also, there are separate brochures advertising the Program - one for the first two workshops, and one for the third.

When asked to rank the usefulness of the various Basic Training components, the nearly-universal reply by participating NGOs put the **logical framework** at the head of the list. As reported by almost all interviewees, use of the logframe had helped greatly to clarify project focus and delineate the activities to be undertaken. As one NGO put it, "For the first time, we are really clear about what we are doing, it helped us understand what our project objectives are and how to meet them." Second priority was generally given to **strategic planning**, which was seen as a participatory means to engage key actors in reaching a greater understanding of the organization's purpose and the need to think long-term. However, some donors and NGOs asserted that strategic plans are fine, but not really useful in their search for funds. As one funder said, "Donors don't care about strategic plans as long as an NGO can say why and where it works." **Financial management** was generally awarded third place by NGOs. (**PPAL** and the **SISCONG** system, both discussed below, came in fourth and fifth.)

B SISCONG workshops

While working in Cajamarca with subgrantees, the PACT Comptroller learned that one NGO, CEDAS, had begun developing a computerized system for financial management. Following initial conversations, over the next two years or so, the Comptroller and the CEDAS programmer collaborated on what is now SISCONG software. CEDAS reported that PACT had provided \$3,000 for this work, plus 50% ownership of the system. The PACT Comptroller explained that, in order to make this new system available to NGOs, a workshop format was created (again with the help of outside consultants), and that since August 1995, 199 NGOs have received SISCONG training - of which about 50 NGOs have installed the system, while 50 others are studying its feasibility.

The first SISCONG workshop took place in Cajamarca, and involved 19 NGOs. Later, workshops were held in Ayacucho, Apurimac, Huancavelica, Huancayo, Arequipa, Piura, Lima, Cusco, Huanuco, etc. - generally at the request of local NGOs. It was reported by PACT, for example, that NGOs in Arequipa and Piura wanted and paid for this workshop themselves. Following presentation and use of the initial version of SISCONG, there was a clear need to improve this new software. Thus, in March 1996 it was significantly modified, with frequent subsequent revisions to work out minor bugs. During our field work, a need repeated by a good number of NGOs was for more technical assistance following the SISCONG training. The Comptroller feels that the greatest barrier to the installation of SISCONG is the lack of understanding and support by NGO directors, who do not usually attend the course; accountants and administrators represent the great majority of participants.

COPEME and COSUDE (the Swiss technical assistance agency) also received SISCONG training. COPEME reports that SISCONG is a partial solution to keeping budget priorities straight, but that it is "too complicated." Meanwhile, COSUDE has installed SISCONG in various projects and is now in the process of installing it at headquarters for overall financial management. One COSUDE project accountant expressed some frustration because, after having used SISCONG for over a year, she must still go physically to the PACT office for minor technical corrections which she said required entry into PACT's SISCONG system. The PACT Comptroller explained that this is because the COSUDE accountant is not yet well-versed in the system, and therefore makes small errors.

During the interview process, a good number of NGOs pointed to a pressing need for a computer program to manage their credit accounts, noting that this is lacking in the SISCONG system. Once back in Lima, we met with INPET/CREDINPET officers, and were given a full demonstration of the new software they have created for managing loan portfolios at any level - organization, departmental, regional or national. They explained that discussions had taken place with PACT, and had led to a verbal agreement to combine their credit software with SISCONG, thus making a complete package for PACT to use in strengthening NGO financial management capacity. However, the PACT COP reports that while conversations are still underway, and he is hopeful that such a merger will come to fruition, he has not yet convinced the Comptroller that this should be done. On inquiry, the Comptroller explained her reservations, which were based on the perception that what INPET wants is to "sell" the combined software to NGOs, rather than provide it gratis, which is PACT's mandate. She further asserted that PACT itself could fairly easily add a credit component to the SISCONG system, rather than incorporating outside software, explaining that she had expressed her opinion to the COP, and that it was up to him to decide.

C Technical Training

Conceived as an important element of IS, technical training events (workshops, seminars, discussions, etc.) aimed at covering various critical subjects have been offered by PACT on a rather ad-hoc basis. That is, neither the Training Coordinator nor any other staff member has been made responsible for developing this as a specific project activity, nor have strategically-important topics been selected for in-depth treatment. Staff report that the plan was to provide technical training on selected areas, along with guidance for the management of those areas, to those NGOs that had participated in the first year of the Basic Training Program, but that to date these events have been programmed largely as a reaction to NGO requests. The first such events, termed "informal" workshops, were carried out by the PACT Credit Coordinator in Apurimac and Huancavelica in August 1995. They dealt with Rural Marketing and Rural Credit Program Management. Subsequent events have included:

- In May 1996, the first "formal" technical workshop took place in Ayacucho, again on Rural Credit Program Management & Peruvian NGO Experience with Credit.
- In August 1996, a two-day workshop on Small Agriculture in the Peruvian Andes, attended by 17 NGOs from the central Andean area, was held in Abancay, Apurimac, with three specialists serving as lecturers; their presentations are to be published by PACT as a book.

- In October 1996, a two-day Forum on Rural Credit took place in Abancay, Apurímac. This was attended by 19 representatives of some 10 NGOs. The PACT Credit Coordinator, plus a representative of CAPRODA/Arequipa spoke. In February 1997, the third Forum on Rural Credit was held in Cajamarca.
- In October 1996, the first field trip (pasantía) on Rural Credit for NGOs took place. This involved 24 people from 12 NGOs who traveled for 18 days to Lima (CREDINPET), Arequipa (FONDECAP) and Puno (CREDISOL).
- In February 1997, a Forum on Rural Marketing was held in Cajamarca followed by another Forum in Ayacucho in May.

In addition, beginning in about November 1996, the PACT Credit Coordinator conducted a variety of other technical workshops on such subjects as Financial Math for Credit Management, Design and Evaluation of Investment Projects, Rural Marketing and Market Case Studies, Institutional Management for Small and Micro Enterprises, Peruvian Business Law, and Credit Program Management.

D Participatory Planning at the Local Level (PPAL)

This activity was designed to strengthen the role of NGOs as conveners of key social sectors and to build their capacity to facilitate concerted efforts by state development agencies, the private sector, the donor community, local government and grassroots communities for the purpose of promoting collaborative action. PPAL was originally conceived by APRISABAC, a Dutch technical assistance agency in Cajamarca. It is seen by PACT as a medium- to long-term effort aimed at ensuring sustainable development through the formulation of projects at the local level, which then become the basis of district-level development plans. PPAL is managed by the PACT Agriculture & Participatory Planning Coordinator, based on a design originally developed by APRISABAC/Interaction In Health, a Dutch consulting firm in Cajamarca, which in 1995 won PACT's solicitation, and is now completing its second contract for implementation of this initiative.

The PPAL process involves three training interventions: a) 15 NGOs and 15 district leaders are trained in the overall methodology, resulting in the formation of a District Development Committee which is to promote the process among rural communities and facilitate the creation of community-level teams, which are then trained by participating NGOs to carry out a diagnosis of the community, b) training at the Department level in the formulation of Community and District Plans, and c) training at the Department level for the preparation of fairs, including the formation of committees to promote project profiles, prepare profiles and plans, and form committees to promote and negotiate at the Departmental level. After each course there is follow-up to help ensure that appropriate tasks are carried out. PACT reports that the negotiation of district plans at fairs brought in \$1,150,000 during the first test of the methodology in the period September-December 1995, noting further that the total cost to PACT, APRISABAC and the NGOs was \$150,000.

According to PACT's 1997 Work Plan, in FY '95 and '96, PPAL was conducted in Apurímac, Ayacucho, Cajamarca and Pasco, where 48 representatives from 21 NGOs were trained in the PPAL methodology and the use of participatory planning instruments. The frequency of the three

workshops was quarterly involving some 120,000 families from 300 rural or marginal urban settlements in 47 districts. The first District Fairs were held in three districts of Cajamarca in late 1995. In mid-1996, Fairs were held for districts in the Lucanas-Puquio watershed, in November 1996 a Fair took place in Ayacucho and in January 1997 one was held for Districts in Abancay.

In 1997, the NGO Support project Work Plan indicates that PACT will broaden PPAL coverage widely, implementing the initiative in Huancavelica and accompanying the FONCODES agreement with NGOs in the Province of Yauyos, Department of Lima to respond to proposals generated through this participatory process. This activity is seen to be related closely with PACT's efforts to link NGOs with State agencies, such as MIPRE and FONCODES, as well as with international donors. By the end of 1997, 30 NGOs are to be trained in local participatory planning, and 30 NGOs will have negotiated 120 projects generated through this process. Finally, 30 NGOs will have facilitated the participation of 60,000 families from 20 of the country's poorest districts.

During our interview with APRISABAC/Interaction in Health (IIH), it was recognized that, while citizens from grassroots communities do come together to identify and prioritize their needs (most related to infrastructure), they are not really a full partner in the overall process of planning ways to meet those needs. That is, once communities have prioritized needs, it is NGO technical staff and consultants, and professionals from other local institutions who actually formulate development plans for presentation to local authorities and the donor community during district fairs. (The first Provincial-level fair is now being planned by PACT and IIH). However, the Provincial Mayor of Huanta, Ayacucho, expressed to us his enthusiastic reaction to the fact that community members had worked together to formulate a list of needs, noting that this was "a first," even though, due to an unfortunate scheduling complication, donors did not come to the Huanta fair to "negotiate" project proposals with the NGOs.

The January 1997 Abancay Fair was attended by representatives of the European Economic Community and MIPRE, who became convinced that a PPAL-type process should be incorporated in the government's official War on Poverty. While PACT and MIPRE held subsequent discussions about the PPAL initiative and the possibility of PACT's active involvement in the government's program, the MIPRE/SECTI Executive Secretary made clear to the MSI team that PACT would not be selected as one of the implementing agencies. She further stated that USAID had provided support for institutionalization, studies, and so forth, and that the Germans and European Union had agreed to provide \$25M for this effort, of which \$5M is to the end of this year. During the course of our interview, the Executive Secretary mentioned three reasons why PACT would not be one of the first four-five implementing agencies, while at the same time explaining that PACT was the first agency to be contacted: a) PPAL was found to be "limited," b) PACT was more expensive than other agencies, and c) PACT had not cooperated with SECTI in the manner stipulated in the 1993 Agreement with the Peruvian government, which names her office as PACT's official counterpart (see section E iv below, NGO Directory). It was also reported that the MIPRE technical team had interviewed "second-tier institutions" (instituciones de 2o piso), including CARE and CARITAS, and would choose such NGOs/PVOs for participation in the government's official effort to facilitate local development planning.

Various donors interviewed perceived that what the government has in mind is a very rapid process meant to result in the compilation by communities of lists of priority needs - a politically-expedient

process that will be carried out with great haste. They noted that PACT's PPAL initiative involves a more thoughtful approach over a longer period of time and is therefore probably not what the government wants.

Local development planning is an activity cited by the vast majority of interviewees as crucially important during this period of national reconstruction and preparation for decentralization. Through key informant interviews, the MSI team learned of approaches currently employed by two other agencies to facilitate this process. For example, IDEAS in Cajamarca, which feels that the APRISABAC/IIH methodology is too top-down since it works at the district level, is implementing its own strategy, which focuses on the community/caserio level. Another related approach was mentioned by an official in the USAID/P Office of Local Government and Alternative Development whose implementing agency is ESAN, a Peruvian NGO. ESAN's program involves a three-stage process, beginning with participatory school construction in the community to get citizens involved and continuing with training for mayors, town council members, community leaders and others (mostly at the district level), and ending with support for the decentralization process.

E Other Initiatives

i National NGO Conferences These events aim at providing NGOs with greater access to specialized information in such areas as health, agriculture, microenterprise, and organizational development, and at transforming their newly-acquired knowledge into successful practices. The First National NGO Conference was held in Cajamarca in December 1995, with some 140 NGOs in attendance. It was preceded in February of that year by the announcement of a Case Study Contest, and a call for NGOs to document successful projects in above areas and send them to PACT. Winning cases were presented and discussed at the National Conference and broadly disseminated. The Second National NGO Conference (also preceded by a Case Study Contest) took place in Ayacucho in November 1996, with the participation of 167 NGOs (one-third of which were repeats from the year before).

While a Third National Conference was originally envisioned by PACT, along with the publication and dissemination of additional winning cases, the Director reported that it was not included in the Work Plan because the Mission did not want to support it. The Project Manager believed that this activity does not support project objectives and, if it were carried out, successful projects should first be chosen and a professional consultant then contracted to do the studies. Related to this, we learned from the main Peruvian NGO association (ANC) that it was planning to hold its II National Conference on Social Development in Lima on July 15-17 of this year. A number of the NGOs we interviewed were planning to attend.

ii Best Project Directory As indicated above, PACT IS workshops stimulate the generation of project profiles by participating NGOs. This activity is therefore designed to facilitate NGO efforts to obtain funding for those projects, while also easing donors' search for appropriate activities in which to invest. It involves the selection by PACT staff of the best, most technically-sound projects formulated at each training workshop, the editing of project summaries, and the publication of a Best Project Directory which is then disseminated to potential donors.

The first edition was published in 1995, and the second in 1996. This was distributed to some 83 international donors working in Peru. A third edition is included in the 1997 Work Plan, and is scheduled for publication this quarter. The PACT COP explained that it is not possible to measure the precise impact of this activity or to know how many of the Best Projects are ultimately funded, as such information must be volunteered by the NGOs involved or the donors who have used the Directory.

iii Donor Directory This activity is designed to identify funding agencies active in Peru as well as their thematic priorities and funding procedures. After gathering relevant information, it is published as a Directory of Foreign Entities and Institutions in International Technical Cooperation, which is subsequently distributed to some 400 NGOs. In 1996, 500 copies were published and disseminated by the Coordinator of Foreign Entities in International Cooperation (COEECI). These are sent free of charge to the NGOs that have participated in the PACT training program or are in some way linked to the PACT project. This year, 500 additional copies are to be published. In addition, PACT plans to provide technical assistance to COEECI to update its database and to permit the generation of future editions electronically. During our interview with the Fondo Contravalor Peru-Japón, the directory was mentioned as being "of great use" for learning about the priorities and sectors funded by other donors.

iv NGO Directory In 1996, the database that had been compiled by PACT following its 1993 subgrant announcement (and the subsequent receipt of over 800 proposals from NGOs) was merged with SECTI's NGO database - after over a year of negotiation with MIPRE. The combined information was published as an official government document, titled, *Directory of Development Non-Governmental Organizations*. The Directory is sold by SECTI, with income put into a separate account for future editions. The 1997 PACT Work Plan indicates that, this year, the task is to program a system for automatically updating the Directory and making it available on diskette, in order that subsequent editions may be generated more economically and with increased frequency. PACT reports that this publication facilitates greater donor access to relevant information on NGOs and the consequent expansion of their activities. The goal for 1997 is to produce two updated NGO registries, and to establish the NGO directory system.

During our interview with SECTI officials, great displeasure was expressed about the Directory because the source of information listed for each NGO is either PACT, SECTI or both. This was seen to be evidence that PACT maintains its own separate registry of NGOs, despite the fact that those NGOs are receiving international support and are therefore mandated to register with SECTI. Because PACT maintains what SECTI considers an extra-official registry, it is assumed that the NGOs with which PACT works are not given proper guidance or motivation to register with SECTI which, it was underscored, is a simple process. This had led SECTI to perceive that, despite the 1993 official Agreement with the GOP under which (it was stressed) PACT is to coordinate all activities with this Secretariat, "PACT does its own thing." SECTI officials then volunteered "We can't evaluate the effectiveness or impact of PACT's work here because we don't know what they're doing, they don't coordinate." When asked about concrete ways in which coordination might be accomplished, the SECTI representatives offered two specific suggestions: a) inclusion of the SECTI NGO coordinator on PACT teams that go to the field to evaluate NGO projects, and b) PACT assistance to strengthen the SECTI NGO Office, which has little trained staff and field experience.

Subsequent to that discussion, upon inquiry at the PMU the MSI team was shown correspondence dated March 1, 1996 from PACT to SECTI, referring to a Ministerial Resolution of February 19 under which NGOs receiving foreign assistance are to register with SECTI. With that letter, the PMU transmitted its own completed registration form, along with copy of a letter it had sent to all subgrantees advising them of the Resolution and asking that the registration form be directed to the appropriate party within the NGO. In addition, the Director enumerated a number of examples of how "PACT has systematically gone out of its way to coordinate with SECTI," he also stated that the 1993 Letter of Understanding with the GOP called for coordination only on subgrants and Title III funds (with the latter becoming a moot point after it was dropped from the project).

F Institutional Strengthening Subgrants to NGO Consortia

In April 1994 PACT awarded three-year subgrants of \$150,000 each to CIDRA in Ayacucho and CIPDER in Cajamarca. Due to slower than expected expenditure rates, both have since been given no-cost extensions to September 1997.

CIDRA (Ayacucho), formally founded in 1992, is a consortium of 12 NGOs most of which carry out integrated development projects in isolated rural areas of the Sierra. One member (IDESI) is a local branch of a national credit institution, which serves as a small bank for small/medium enterprises and plans to spin off a field-based NGO component next year. CIDRA was born in 1988 as a mechanism for channelling \$400,000 to local NGOs from the Fondo Contravalor Peru-Canada to help rural citizens deal with the devastating effects of the severe drought affecting the region. Following that experience, the NGOs involved decided to formalize CIDRA as a permanent consortium. For the period 1993-1995, CIDRA received \$800,000 in non-emergency development funds from the same Canadian source (\$600,000 for agriculture/production, and \$200,000 for credit). During our field trip to Ayacucho, the MSI team interviewed six member organizations, and two that had been expelled because of mishandling of the second Canadian donation (CEAA-INTI and IER/JMA, the latter also had its PACT grant cancelled after about eight months due to non-compliance). CIDRA has since filed law suits against both for the return of funds, though they continue to be included in consortium events, including IS training).

CIDRA officials explained that the criteria for membership in the consortium include: the NGO must have existed for at least five years and must be engaged in field work. Once accepted, there is a probationary period (though no one seemed to know just how long that was). Dues are US\$20 per month, which members seemed to know about, but hardly any actually pay. Since outside NGOs are invited to CIDRA training and other events, membership did not seem to be a major issue, except as related to the possibility of obtaining funds or being listed in official pronouncements. What did appear to be a major, yet-unresolved issue is whether CIDRA will remain an NGO coordinator/interlocutor/liaison agent, or move to also become an executing agency in order to survive (a dilemma that PACT itself confronted in its earlier years).

CIDRA publishes a semi-annual magazine (first issue dated Nov 1996), has a "documentation/reference center," and is connected to Internet.

The \$150,000 PACT subgrant to CIDRA, included \$20,000 for the purchase of computers for PACT development subgrantees in Ayacucho, and some \$6,000 for audit/evaluation. Subsequently, due

to confusion re PACT's use of those two line items the CIDRA subgrant was increased to \$162,000. The subgrant also provides funds for a half-time Coordinator, a full-time Assistant Coordinator, a half-time accountant, and two secretarial assistants.

Under the PACT subgrant CIDRA is mandated to organize and implement IS training for local NGOs - both members and non-members. Though the agreement is officially titled, "Strengthening and Consolidation of CIDRA," the project logframe (see Annex F) relates only to individual NGOs, with no specific objectives or indicators to address strengthening the consortium itself. The project calls for NGOs to be strengthened in the areas of management, internal control/accounting, and technical capacity. For example, specific objectives and indicators include a) greater efficiency and management capacity for NGOs, with 15 expected to be using strategic and operational planning techniques, and the logical framework, b) NGOs (15) using more efficient administrative and accounting techniques, and c) incorporation by (15) NGOs of new sectoral knowledge that improves the efficiency and impact of their projects.

The first IS courses carried out under the CIDRA subgrant included those given by the U.S. consultant who was in Ayacucho to conduct the Shakedown Evaluation. These occurred in April 1994, and covered use of the logframe, and finance and internal controls. (That consultant also conducted these courses at CIPDER in Cajamarca.) Since then, CIDRA has sponsored 27 workshops, 11 discussion groups ("conversatorios"), 2 congresses, 9 seminars, and 1 correspondence course, during a total of 192 days, over 1,536 hours. Some 834 persons have participated (607 men and 227 women). In the early stages, CIDRA contracted outside professionals, many from Lima universities, to speak at training events. Later, following PACT's first IS training at Pachacamac (March-September 1995), in which CIDRA participated, the consortium began to call more on its own resources and member NGOs, with a few courses conducted by PACT. According to those who had participated, as time went on the training program gradually improved.

CIDRA's mid-term self-evaluation report of May 1996 concludes that, while the IS program was "having some good results," it needed to be adjusted in line with the priorities identified by participating NGOs. Our analysis of this document, coupled with on-site interviews, also found that, in essence, CIDRA was struggling to learn how to be a consortium. While a myriad of strategic planning, project design/logframe, financial management and technical workshops have been held, as observed in above-mentioned report, there was "inadequate coordination for the holding of courses, a lack of seriousness on the part of some NGOs which failed to notify CIDRA as to who their representatives would be, and a need for greater responsibility by the NGOs in order to optimize the results of the training program."

Despite these difficulties, participating NGOs indicated to the MSI team that the PACT/CIDRA training program had helped them greatly to better focus their efforts (logframe was always mentioned), to achieve a greater degree of participation and commitment within their organizations (most had done strategic planning, though the bulk of the plans we reviewed were of poor quality), and to better manage their finances. As the CIDRA president said, "PACT training has been a mental revolution." A day-long trip to the rural project sites of one CIDRA member (TADEPA), and discussions with community and municipal leaders in those areas, confirmed TADEPA's assertions of improved focus and clarity of purpose. PPAL, which is facilitated in this region by a TADEPA staff member, was also considered to be a highly positive and strategically-important

initiative This view was enthusiastically shared by a good number of the NGOs visited, as well as by the District Mayor and by the Provincial Mayor of Huanta (who, as an official of the National Mayors Association, was on his way to sign an agreement with ESAN under USAID's SSO 5)

Of the eight NGOs interviewed individually, all reported positive evolution as measured by the Life Cycle exercise, through which they were first asked to identify the stage their NGO is in now and then asked to explain where it was in April 1994 Nearly all felt they had moved from some point in the Maintenance Phase (1994) to the Transition/Early Renovation Phase now One newer NGO reported that it had moved from the Heroic Phase Transition to the Maintenance Phase

In terms of CIDRA itself, during our group interview with eight NGO leaders (consortium members as well as several non-members who had participated in the IS training program), it was reported that the consortium had moved from early Maintenance to the end of that Phase CIDRA officials explained that a series of nine internal workshops involving the directors of member NGOs had been held as part of the consortium's own strategic planning process (FODA analysis) For the first several workshops, CIDRA retained two outside consultants as facilitators, while subsequent sessions had been facilitated by a member NGO director and by the CIDRA Coordinator herself The task is to formulate a five-year plan, which is to be finalized by September and used as the basis for project proposals to obtain funding for activities once the PACT subgrant ends When asked about the sustainability of the consortium and of the IS training program CIDRA officials were aware of the need to become self-reliant, but had no real plan for achieving it Responses generally related in a vague way to the strengthening of the networks ("redes") that CIDRA has or plans to form (i.e., accountants, gender, and environment, an agroecology network has already been formed by others)

When asked why the NGOs interviewed had joined or want to join the consortium, both members and non-members said a) it is important to have a place to exchange information and ideas, b) because it strengthens member institutions and builds NGO capacity for negotiation with state and local government and donors, c) to achieve solidarity with civil society, and d) to improve field/technical capabilities It was pointed out repeatedly that, because Ayacucho had been the focal point for terrorists during the period of violence and was one of the most damaged areas, there is now an important process of reconstruction and pacification underway It was therefore felt that CIDRA represents a "strategic alliance" for helping to support that historic process Many interviewees went on to say that it is now vitally important for CIDRA to expand its current focus to areas such as "citizenship," the strengthening of civil society and human rights

As an example of the importance of acting in concert, we were given documents explaining the "Foro Compromiso Por Los Niños" (Children's Forum) to take place in Ayacucho on July 24-25 This event is funded by UNICEF and co-sponsored by CIDRA and the Municipality of Huamanga Its purpose is to formulate a Provincial Plan of Action for Children The list of speakers include the UNICEF Project Officer, a number of state and local government leaders, CIDRA officials and NGO affiliates

The NGOs interviewed felt that difficulties with the IS training program had been the large number and frequency of workshops, their long duration (usually 3-5 days), making it difficult for NGO staff to attend, inappropriate scheduling, too many outside speakers who were too technical and didn't

really understand the situation in Ayacucho and the limited type of NGO participants (i.e., emphasis had been given to involving NGO directors with not enough participation by field/technical or administrative staff). When asked how they would change the PACT project, most interviewees called for retaining the training focus (usually mentioning project design/logframe and M&E, with some mentioning strategic planning), but adding new topics specifically gender analysis, the formation of networks and environment. On that score, it should be noted that NGOs in all areas visited (here as well as in Cajamarca and Arequipa) put great emphasis on gender analysis as a critical issue for successful development projects.

It is worth mentioning that two CIDRA affiliates (CEDAP and Vecinos Peru) who have loan programs and felt that credit administration should not be a function of CIDRA, but rather that loan portfolios should be managed by a specialized agency, have jointly created a separate NGO (Rasuhilca) for that purpose. Rasuhilca was begun with US\$380,000 in credit funds from Canada, and now has 10 employees, plus funding from various other sources. Loans are for six months maximum with an 18% interest rate (3% commission and 12% for administration and credit training). While other NGOs have been invited to avail themselves of Rasuhilca's services, this issue is under debate, with most other NGOs preferring to administer their own loan funds up to now - a decision that may well change over time.

Finally, it should be noted that in June of this year, the CIDRA General Assembly (annual membership meeting) approved a project to create a "Training for Development School" in Ayacucho in conjunction with the university there, mirroring its original proposal to PACT - which was rejected in favor of the present training program. While this new proposal mentions strengthening human capacity within NGOs, as presently framed, it is really a bid to create a post-graduate degree program in development studies at the university, and has little to do with IS. While the CIDRA president spoke rather enthusiastically about this, the NGOs we interviewed did not attach any great importance to such an initiative by CIDRA. The only exception was the Coordinator of the local CHIRAPAQ branch (a CIDRA affiliate), who is the wife of the Rector. This proposal has been presented to PACT, and CIDRA has apparently been told that a response will depend in part on the results of this mid-term evaluation.

CIPDER (Cajamarca) was formally established in 1993. As with CIDRA, it was stimulated by the experience of six local NGOs that received funds from the Fondo Contravalor Peru-Canada in 1991-1992. In this case it was to work together in the fight against the cholera epidemic then extant in the area. And, again, in 1993-1995, the same Canadian source funded 11 institutions (NGOs working in 200 caserios and eight districts, plus one municipality) to carry out a Program for the Development of Cajamarca. In 1993, two NGOs were added to the original six to help carry out that project, making a total of eight members. Since then, one has been dropped, leaving current membership at seven NGOs.

CIPDER has also begun publication of a magazine and a newsletter, and has a document center and library. Under the PACT subgrant, there is half salary for the full-time Executive Secretary (with the other half paid by CIPDER), a half-time Pedagogical Director, and a half-time secretary. Additional staff include administrative assistants, external advisors, and a "Planificadora," who prepares proposals for the consortium, as well as for NGOs. The logframe for CIPDER is identical to that for CIDRA (see [*Annex D*](#)).

The MSI team interviewed four member NGOs plus two NGOs listed as 'invited' to most CIPDER workshops (i.e. to reach the 15 NGOs targeted in the PACT project logframe, which is exactly like the CIDRA logical framework CIPDER selected eight 'invited' NGOs which, added to the seven members meets the target)

In a word CIPDER has travelled a rocky road since April 1994 when the PACT subgrant was signed - and nearly cancelled in June 1995 which triggered the search for a new Executive Secretary who took over in September 1995. Though the former incumbent had been included in the PACT Pachacamac training, he was ill-suited for the job and had to be replaced (he remains as half-time Pedagogical Director, paid under the PACT agreement). The current Executive Secretary appears to have stabilized the consortium. After taking the position, he met with member NGOs, and in December 1995 convened a planning workshop. By February 1996, a Work Plan was completed which covers the remainder of the subgrant period. So, as various NGOs said, the PACT project was virtually paralyzed from April 1994 to September 1995.

The CIPDER officials and member agencies we interviewed now perceive that the consortium has moved in its Life Cycle from mid-Maintenance to the early Renovation Phase, having successfully negotiated the critical juncture in between, with PACT's help. One thorny issue now before the consortium is the question of membership. While a number of NGOs have asked to join, the Board is waiting to amend the organization's statutes at the annual General Assembly to be held in July/August (date had not yet been set). In addition to clarifying the status of "invited" NGOs, the major related issue on the agenda is the current initiation fee (patrimonio) (US\$4,800) and monthly dues (US\$50). At present, the initiation fee (which can be paid over three years) entitles an NGO to be a kind of share-holder, among whom all funds are to be disbursed in the event of dissolution. Most organizations that have requested membership make clear that they do not wish to participate in the consortium's patrimony, but only to become affiliates. According to the Executive Secretary and others this is a very sore point with current members, and promises to turn into a real tug of war at the upcoming annual meeting.

Here, too the logical framework was the first workshop undertaken (April 1994, during the Shakedown consultant's visit). Subsequently, CIPDER has sponsored some 30 training events. A review of the list of workshops reveals serious confusion in the early stage as to appropriate sequencing. For example, the first Strategic Planning Workshop was the eleventh topic addressed (November 1994), after such issues as Technified Irrigation Systems (October 1994 - of interest to only two or three NGOs), plus two courses on Rural Credit (August and October 1994), etc.

According to the March 1996 report of PACT's mid-term project evaluation, "There was a long delay before the CIPDER Board understood the importance of the project," noting further that "NGO participation in project activities has been too broadly-cast, involving too many people, which we believe makes it difficult to assimilate the work." Since then, under the new Executive Secretary, CIPDER may have gone to the other extreme. That is, training courses are generally given separately for three levels: a) directors, 2) administrators, and 3) technical staff, a fact which several interviewees mentioned as a drawback to comprehensive IS and internal organizational team-building.

Among the training elements considered most helpful by the NGOs interviewed were the logframe strategic planning workshops, and financial management as well as the credit workshops and field trip, which helped convince them to move from Fondos Rotatorios/in-kind loans to Fondos de Credito/cash loans. Several also mentioned ECFAM (discussed below) as particularly helpful for tracking project progress at the grassroots level. Again all-day trips to rural areas with ASPADERUC and CEDEPAS and discussions with the heads of those organizations validated the importance of the IS training program.

As was the case with CIDRA in Ayacucho, NGOs here that had experienced CIPDER training reported progress through the Organizational Life Cycle. Two felt they had moved from the Heroic to the Maintenance Phase, while others saw themselves as having moved further along in the Maintenance Phase, or as having progressed from mid-Maintenance into the transition to Renovation.

One 'invited' NGO that was particularly grateful for PACT/CIDER training was Rondas Campesinas Femeninas, which we found to be quite an amazing grassroots agency, specializing in credit (through an agreement with the Banco Continental) and campesino justice. In addition to interviewing Rondas leaders, we participated in a ceremony at which loans were given to some 10-12 clients, a most impressive event with checks (US\$1,000-US\$1,500) and written repayment schedules given to couples which, it was explained, is to avoid any future excuses or confusion as to who got and spent the money. This NGO has 265 borrowers, with 842 on the waiting list, and a 0% delinquency rate¹. They were clear that PACT had made a great contribution through the CIPDER IS project, having attended every training course offered and using their new knowledge to the fullest.

CIPDER has its own, detailed Strategic Plan dated July 1995. This was developed through workshops involving member NGOs and facilitated by an outside consultant who also wrote the final document. The plan notes that it is necessary to emphasize coordination between CIPDER's technical team and those of member NGOs, asserting "it would seem that each one of the institutions has its own technical team, and its own strategy, totally apart from and often unrelated to the Consortium's strategy." The four strategic foci articulated in the Plan are:

- i Promoting inter-institutional collaboration ("concertacion") for strategic planning
- ii Improving the technical capacity of development institutions for the design and operation of development activities at the Departmental level
- iii Raising urban and rural public awareness about the challenge of development and the ideas and forces behind it
- iv Building mechanisms for the acquisition of resources and investments

In essence, according to the Plan and our conversations with NGO leaders in Cajamarca, CIPDER appears to see its role clearly as a coordinating, facilitating mechanism, rather than as a project implementer. It, too, is eager to expand this role to help strengthen civil society and build local government capacity, and also to become involved in the policy arena. Under discussion, for

example is the feasibility of CIPDER working with other organizations under the Framework Law for Decentralization to educate citizens in advance of the popular referendum promised by the Fujimori government for the reorganization of the country's political regions

As to other future moves, the Executive Secretary believes that CIPDER should charge for training courses reporting that there is a demand for them by both member and non-member NGOs. He noted that currently the greatest demand is for both IS and technical training, as well as for the facilitation of local development planning. He is also eager to see CIPDER maximize its capacity to act as an interlocutor between NGOs and the State, noting as an example that the Consortium had proposed a successful candidate for appointment to MIPRE's National Environmental Commission.

Also of note is that, unlike CIDRA, CIPDER decided to create its own separate credit arm (FONDER) of which the seven NGO affiliates are members. During our interview with the FONDER Director, he explained that it was established with funds from the Fondo Contravalor Peru-Canada. Currently, it has three lines of credit: a) Proleche for milk producers (US\$500-US\$1,000 loans), Procreda for small farmers (\$550-US\$3,000), and Promujer for women's income-generating activities (US\$550-US\$3,000). FONDER charges commercial interest rates and is seeking additional resources to increase its loan capacity.

Accountants Networks inspired by the PACT Comptroller's work with CIDRA during the early stages of the NGO Support project, these networks now exist in eight cities. The Comptroller sees them as helping to ensure sustainability after PACT leaves the project. Therefore, the formation of *Redes de Contadores* is promoted at SISCONG workshops. The MSI team met with network members in both Ayacucho and Cajamarca, where the same sentiments were expressed - i.e., that traditionally accountants and administrators were left out of the loop by NGO directors and technical staff, even out of the budgeting process. They all shared PACT's view concerning the importance of integrating programming and financial management functions. Cajamarca network members explained that, up to 1996, they were not included in strategic planning exercises and that now, little by little they are becoming part of the NGO planning process. Network members meet regularly to exchange information, to consult one another on relevant issues, and to discuss such matters as labor law, tax regulations, and so forth. Each network has chosen a president and other officers who are responsible for convening meetings. With PACT project support, the two networks we interviewed, plus one other, publish newsletters which are disseminated through PACT to the NGO community.

The Ayacucho network has registered with the government as an official "Civil Association" (the same category given to other NGOs). It was explained that this was done so that they could approach tax and other authorities in the name of an organization, rather than as individuals, thus better ensuring attention to their inquiries. Moreover, that group is in process of making a 'diagnosis' of income-producing possibilities, including paid consultancies for those members who wish to contract out, and has a number of other entrepreneurial ideas. The Cajamarca group has initiated the registration process, and it is assumed that the remaining six networks are doing likewise. This caused us to inquire about the relationship of these new entities to their employer NGOs, and whether this might lead to conflicts of interests. However, network members had not given this any thought. Neither had consortia officials thought about any inter-organizational repercussions this might have in future. The PACT Comptroller explained that her idea is for these

newly-registered organizations to be incorporated into the national accountants' organization (Colegio de Contadores) to give legitimacy to NGO accounting, and for universities to include this subject in their curricula

In April 1997 the first national meeting (conversatorio) of all network members took place in Huancayo. The second is being planned for Cajamarca in November of this year, with logistical arrangements handled by that group. PACT has again agreed to support this event, and has promised to recruit speakers, including the chief auditor from Price Waterhouse in Lima, the firm contracted by PACT to audit subgrants.

During our discussions, the accountants confirmed what we had observed during our interviews with NGO leaders - Peruvian NGOs have not yet become familiar with the concept of overhead-direct/indirect costs, nor do they manage their organizations with any reference to overhead costs. The NGOs know what percentage they are given for administrative costs by individual funders, but can only estimate indirect costs for the organization as a whole (most guessed from 15-35%). However, some NGOs have begun to generate income through consulting, renting out trucks for FONCODES construction projects, etc., while one or two had established sources of income (i.e., ASPADERUC owns and operates a gravel pit which employs about five workers and produces some level of income). One of the accountants in Cajamarca said he had begun to think about the need for NGOs to generate their own income in order to consolidate their organizational base.

IS vs. OD During our discussions with NGOs in the various places visited, a number of interviewees called for assistance with, as one called it, "*la parte organizativa*". They also stressed the importance of organizational as well as geographic "consolidation" in the next phase of the training program. It was reported by NGOs in Ayacucho and Cajamarca (where IS courses have gone on longest) that attendance at basic IS training is on the decline. Most NGOs reported that people were "tired" of workshops and wanted NGO-specific, in-house assistance.

On exploring the overall structure and solidity of these NGOs, the MSI team asked about the number of members in the organization, the composition of the board (Consejo Directivo), staff size and organization, the decision-making process, etc. We learned that these issues (which have been shown to be critical aspects of organizational development) had not been addressed in any depth, if at all, by the project. That is, neither consortia-sponsored nor PACT's own training program have triggered discussion of such subjects. To date, efforts seem to have dealt almost exclusively with issues internal to the NGOs (i.e., strategic planning, project design, M&E, and financial management, which are also highly important), without addressing the solidity of the organization itself or the shape of the overarching institutional framework. We find this to be a serious shortcoming in terms of the longer-term sustainability of these organizations.

The NGOs interviewed reported on average from five to 12 members, with Boards comprised of three to five persons, most of whom were also on the payroll as executive directors or technical staff. Only a few NGOs, such as ASPADERUC and Rondas Campesinas, were clear that board members are ad-honorem volunteers, and are not to be confused with paid staff. Our discussions also revealed little understanding of the concept of membership in its various forms (i.e., general membership, advisory boards, special committees, and so forth) as a potential tool for generating support for the mission or purpose being pursued or for raising funds. Moreover, the notion of recruiting and

cultivating outstanding individuals from various key sectors to serve on boards of directors as a means of bringing visibility and prestige to the cause and to facilitate contacts was also foreign to the vast majority of those contacted. Some NGOs, such as PAIDE and CEDAP did speak of their desire to expand general or board membership, mentioning plans for amending their constitutions at future annual assemblies.

In summary, the MSI team found that, while IS training to date has undoubtedly been of great benefit to participating NGOs to help ensure the sustainability of their activities over time, attention to organizational development (OD) issues is needed. In addition to membership board and staff development OD subjects of importance also include areas such as organizational autonomy, external visibility, internal communications, and resource development, as well as techniques related to group process, team-building, conflict management, and so forth. Ideally, NGOs would be trained in recognizing the various stages of their own development understanding the steps they need to take to strengthen the organization, and how to measure progress on a periodic basis. A self-administered tool, such as the Institutional Development Framework pioneered and tested by MSI in various parts of the world (see Annex G) could help these organizations set criteria for each stage of growth, from "Start-Up" to "Development," and on to "Expansion/Consolidation," and finally "Sustainability" (NGOs we have worked with use this tool about every six months to track progress during regular board-staff sessions, and keep the latest reading posted in the office as a ready reference.)

3 DEVELOPMENT SUBGRANTS

Findings

A Project Design

The 14 agriculture, health and credit/micro-enterprise subgrants implemented under the NGO Support Project resulted from the process described briefly in the Background section of this paper. In October 1993, the PMU sent letters to NGOs working in target regions, spelling out the types of projects in which PACT was interested and the parameters for submitting proposals. Some 800 proposals were received, these were screened by PACT, which forwarded a list of the 104 best to USAID. The Mission chose 14 proposals which it believed merited support. PACT then proceeded to negotiate subgrants with those NGOs, and agreements were signed in April and May of 1994.

The dispatch of letters soliciting proposals 11 months after PACT had set up operations in Lima is now universally seen as a mistake. Although the Shakedown Evaluation of May 1994 indicated that PACT "set up good selection criteria, evaluation mechanisms, concept paper mechanisms and procedures for USAID approval," it also strongly emphasized that the subgrant proposals were invited by PACT while operating without a strategic or consolidated operational plan. The Shakedown Evaluation report did not clearly indicate, however, that the quality and specificity of the strategy included in the original Project Paper had apparently been overlooked in their rush to get the subgrant process underway.

The Project Paper was clear that "development subgrants" should go to some 14 U.S. PVOs or Peruvian NGOs to provide financial resources to increase the impact of their already-ongoing development work in the project's key sectors. Such subgrants were to be given based on the

assumption that applicant NGOs already possessed more than a minimal level of organizational capacity to manage project inputs. It also noted that although there likely would be some aspects of management and technical expertise that these NGOs could improve, those shortcomings would be of the type that could be addressed during project implementation. The Project Paper was also clear in pointing out that development subgrants were to be fewer in number (14) than institutional development subgrants (18). (Although now a moot point we noted that even today PACT still does not distinguish among subgrants by categorizing the majority [14] as "development subgrants," in order to clearly distinguish them from the two "institutional development subgrants.")

The haste with which PACT awarded the 14 subgrants during its second year of operation, combined with the paucity of suitably qualified candidate NGOs in the poor areas of the Sierra, inevitably led to poor performance by some subgrantees. In any case, up to the time of this evaluation those subgrants have continued to shape and to some extent curtail PACT's overall institutional strengthening efforts. To a large degree, these development subgrants also dictated the composition of the project staff and continue to absorb considerable staff time. The PMU Director estimates that at present, remaining subgrants require 2 1/4 person years of staff time. Overall, these activities appear to have diverted PACT's attention from implementation of the revised orientation it defined after the Shakedown Evaluation.

In PACT's FY 95 "Annual Technical Progress Report," it was noted that a key aspect of the project's new strategy was changed from one "where subgrants were given first and then followed by technical assistance and training to a strategy of training first and then selection of the best NGOs, based on the quality of their strategy and mission statements, field visits and their project profiles."

At the time of this evaluation, 10 of the 14 development subgrants remain active. Of those "off the books," two were terminated early because of implementation or accountability problems (IER-JMA and Promoviendo), and two (CRS and Coincide) had already been completed as scheduled.

The MSI team interviewed staff at eight of the NGOs that had received development subgrants, and made on-site trips to rural areas in Ayacucho and Cajamarca to get a first-hand look at subgrant activities.

Our interviews with subgrantee NGOs revealed that during the selection process PACT did not take, or indeed have, much time to accurately assess their capabilities. Interviews with several leaders of NGOs that had not been successful in the proposal competition observed that some NGOs that had received subgrants were barely functioning at the time of their award.

Several NGOs also indicated that PACT had reduced their proposals to a logical framework attached to the boilerplate of the final project Agreement, and that those logframes generally called for integrated projects which included activities in all three target sectors (agriculture, health and micro-enterprise), whether or not they were included in the NGO's original proposal. Two NGOs reported that they had no previous experience with health activities, but that this was nonetheless added by PACT to the Agreement. One NGO (Vecinos Peru) discovered only on the day the Agreement was to be signed that credit had been included in its project; it refused to sign until that component was removed. (While Vecinos did attend the ceremony presided over by the USAID Director who had travelled to Ayacucho for that purpose, it signed only a blank sheet of paper.)

Although all subgrants reviewed involved heavy doses of community organizing, the MSI team noted that only one of these logframes (TADEPA) included specific objectives and indicators related to institutional strengthening at the community level. In general, however, the logframes reviewed appeared complete in terms of expectations, and included reasonable input-output schemes and adequate indicators.

B Implementation

As might be expected of NGOs working in areas where relief and rehabilitation rather than development programming, had been the order of the day for most prior activities (and now found themselves involved for the first time with an agency with the procedural demands of USAID), early subgrant implementation was often troubled. The record shows that more than the normal share of difficulties was experienced in the first year of implementation by five of the eight NGOs we interviewed. CEAA-INTI, for example, reported trouble in finding a team willing to work regularly in the distant rural area it had chosen because of threats to personal safety, CEDEPAS and CEDAS reported they had been plagued by heavy staff turnover, Vecinos and CEDEPAS reported meeting with community resistance in the new areas included in their projects. TADEPA and CEDEPAS, among others, reported adverse effects on their projects caused by continued draught conditions or unfavorable market price fluctuations. Many NGOs reported problems in overcoming entrenched village habits and beliefs related to the shift from revolving loan funds to more formal cash credit systems, or problems with the establishment of administrative arrangements and regulations for their credit programs. TADEPA, CEAA-INTI and Vecinos all described difficulties in starting up health activities, an area in which they had never worked extensively.

PACT records, including field trip reports, correspondence, and particularly mid-term project evaluations, adequately document the early challenges and issues faced as NGOs as they began subgrant implementation. (Regular reporting to USAID, however, did not provide analyses of these problems - a subject we shall turn to in a later section.) In some cases, NGOs identified as weak or non-compliant were put "on hold" by PACT when programmatic or administrative problems became obvious. One of these (IER-JMA) had its subgrant terminated. CEDEPAS, CAPRODA, and Promoviendo were also challenged by PACT, but eventually resumed activities after making program adjustments, changing personnel, or altering financial oversight arrangements.

Generally, the eight NGOs interviewed by the MSI team appeared to have moved through the difficult times, and to have risen to relatively decent levels of achievement (except for IER-JMA as stated above, and Promoviendo whose program was eventually halted by PACT after the expenditure of 91% of its funds, a portion of which PACT is in the process of trying to recoup). A good example is CAPRODA, which overcame its problems with credit administration by forming a new NGO (FONDECAP) for that purpose. FONDECAP is now also serving the credit administration needs of NGOs in Puno and of CEDEP in Cusco. A number of other projects appear to have emerged in this the final year of their subgrants with programs that seemed to the evaluation team to be particularly strong (CEDEPAS and ASPARERUC) or of substantial quality (TADEPA, CEDAS). In those projects, the services rendered, technology and methodologies demonstrated, numbers reached, and indicators of increased productivity, income and reduced morbidity, represent a considerable accomplishment, despite their uneven early performance.

The team also found evidence that PACT's technical assistance or its support for activities that linked NGOs dealing with specific technical or sectoral issues had produced a significant effect. Subgrantees especially those working with or as members of PACT-supported consortia were observed to be sharing ideas and experience, and gaining valuable insights from one another concerning possible programming improvements. Although often carried out on an ad-hoc basis, a number of the special technical presentations arranged or supported by PACT seemed to have contributed positively to NGO thinking on a number of issues.

Also noted was that, while the subgrants focused on delivering development services, as implemented they also served to enhance NGO institutional capacities. In this regard, a good number of NGOs reported that their subgrant experience had made it possible for them to operate with a greater sense of security when handling accounting and record keeping, reporting, financial decision-making and the use of statistics in decision-making.

Community-level baseline data on the subgrant projects were collected by 10 of the 14 NGOs, using a computerized program called ECFAM (Economía Familiar), written specifically for the entry of key data and the generation of reports. The information entered covers data on agricultural practices, household production and health, plus a range of other areas. ECFAM was installed at each subgrantee NGO, and personnel were trained in its use. NGOs themselves arranged to collect the data during detailed, sometimes several-hour interviews with families receiving their services.

The system cost PACT approximately \$57,000 to produce and install, the 10 NGOs using it spent on average \$2,500 (of PACT subgrant funds) for the field-level collection of data, resulting in a per-NGO cost of \$8,200.

Over 1,500 detailed, individual profiles are now available in the ECFAM data bank at PACT. Meanwhile, individual NGOs maintain data on their projects at their own offices. The program was designed to be updated regularly by NGOs as they operated in the field, something several NGOs told us they had not succeed in doing. A new version of the software has been developed to improve the system.

Reactions concerning ECFAM among the NGOs interviewed varied widely. Some, like ASPADERUC which had collected data on 360 families, reported that ECFAM had been very useful in their own programming as a measure to gauge progress and incremental changes in the community. Others, such as TADEPA, agreed that the system had merit, but indicated they thought it too complicated and elaborate, and was impractical for use in small projects.

After another intensive round of data collection, the second application of the ECFAM program will take place this year in order to measure changes from baseline conditions regarding practices, productivity and health in subgrant target communities.

The brevity of this evaluation did not allow for the team to tally and analyze data on the number of persons benefited by the subgrantee NGOs with which we met. However, we were left with the impression that the widely-varied activities undertaken through these projects did eventually begin to have positive effects on the lives of thousands of beneficiaries, both individually and at the community level.

Specific information on these activities is available in NGO reporting mid-term and final project evaluations. Additional impact data will be available once the second round of ECFAM is completed. A full cost-benefit analysis could be done, if it is still felt necessary, after the subgrants are closed out in September. It is our belief that, if this were done, it would show the 'development subgrant' portion of PACT's program to be quite costly on a per-beneficiary basis both in terms of the overall cost of all subgrants taken together as well as for most of the individual subgrants. Reasons for the high cost of the across-the-board collective analysis relate to the number of grants that fell out of the program or simply continued to be low performers. Meanwhile, individual subgrant cost-benefit levels would be adversely affected in a number of cases by the early problems encountered by NGOs as they sought to pioneer the establishment of development projects in the challenging environment of the poorer districts of Peru. However, it is likely that, were these same projects to be repeated in the same areas at this time, cost-benefit indices would be more favorable, and achieved with a higher degree of efficiency.

4 PROJECT COST

Findings

As noted earlier, project expenditures as of April 1997 total \$6,782,221, against an obligated budget of \$8,415,792.

Analysis of overall PACT expenditures from day one of the CA does not easily allow for the tabulation of costs, for example, as related to the operation of subgrants versus costs incurred exclusively for institutional strengthening services. Such a full accounting would require an ability to identify and attribute costs to one program or another in ways not tracked in PACT's early accounting records. However, an analysis of budget totals for FY 93 through FY 96, and including FY 97 numbers through April, does show that PACT has tended to turn to a more thoroughgoing institutional strengthening posture. As shown below, the percentage of project expenditures directly attributable to institutional strengthening (which is a separate line item in the budget), as compared with total expenses minus overhead has steadily increased.

<u>FY</u>	<u>% of total budget attributable to IS</u>
FY 93	0% of \$ 463,676
FY 94	1.5% of \$ 880,898
FY 95	9.3% of \$1,838,292
FY 96	20.0% of \$1,759,327
FY 97 (April)	32.0% of \$ 872,851

By making a few logical line-item shifts to more accurately reflect reality (for example, adding in half of staff salaries as well as consultant fees for workshops), the percentage in FY 96 increases to 30%. Doing the same for FY 97 raises the percentage dedicated to institutional strengthening during that year to 45%.

Changes in PACT's allocation of funds over time are further confirmed in the following table which shows percentages of all expenses by category as well as the percent spent in those same categories in FY 97

<u>Category</u>	<u>% of all expenses</u>	<u>% of FY 97 expenses</u>
Subgrants	36.3	27.1
Salaries Peru	21.4	20.4
Overhead	14.2	16.5
IS	11.9	26.9
ODCs	7.5	3.6
Allowances	3	1.8
Travel and per diem	2.3	6
Home office salaries	1.8	2.0
Consultants	1.5	1.0

As the PACT project moved into 1995 and began to implement discrete activities related directly to training, project accountants began to track expenditures using cost center codes and more detailed line items. Using these figures and PACT statistics on NGOs and participants in various activities, the MSI team calculated the costs per NGO and per participant for some of the project's major activities.

Basic Training Program

The first courses in the Basic Training Program were given by Atinchik, a local firm contracted by PACT. As discussed above, five courses were given in 1995 to 96 NGOs and 144 participants at a cost of \$123,788.

Cost per NGO	\$1,207
Per participant	\$ 859

After termination of Atinchik's contract, in June 1996 a Training Coordinator was added to the staff, and the PACT PMU itself began conducting IS training. In 1996-1997, PACT carried out two Basic Training workshops in each of four sites, for a total of ten days in each site. This consisted of two workshops covering Modules 1-4 of the Basic Training Program. Some 87 NGOs and 148 persons attended. The four workshops cost \$84,839, including travel, per diem, materials and other expenses, but not including PACT staff salaries.

Cost per NGO	\$ 998
Per participant	\$ 573

Module 5 covering Financial Management and Internal Control, was added to the basic course in March 1997. Those third workshops were run separately and have taken place in three of the four training sites. A total of 66 NGOs and 114 persons have attended, with a total cost of \$20,764.

Cost per NGO	\$ 314
Per participant	\$ 182

SISCONG Training

NGOs involved in basic training and other NGOs interested in new accounting techniques have been invited to register for workshops dealing with PACT's SISCONG accounting system. Twelve such workshops were held between August 1995 and January 1997. The first two were two-day sessions; the next eight lasted from 3 to 3 1/4 days, and the last two for 4 1/2 days. A total of 164 NGOs and 355 people attended. The cost of these workshops was \$44,699.

Cost per NGO	\$ 272
Per participant	\$ 125

PACT has also offered a series of special workshops designed to reinforce and provide technical assistance to NGOs working with the SISCONG system. Six such follow-up workshops have been held. These two- to four-day sessions were attended by 57 NGOs and 118 people and had a total cost of \$16,188.

Cost per NGO	\$ 282
Per participant	\$ 137

PPAL Training

As discussed above, PPAL training includes three workshops, and is designed to strengthen the role of NGOs as facilitators of local development by involving local communities, the private and local government sectors and donors in a collaborative planning process. PPAL has been offered in nine Departments of Peru, involving some 19 workshops that lasted for between 3 and 4 days. About 41 NGOs are shown in PACT's data base as having received PPAL training at a total cost to date of \$170,000.

Cost per NGO	\$4,146
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Technical Training

PACT held "technical events" in recent years, covering topics such as agricultural training (8 NGOs), financial mathematics of credit programs (12 NGOs), marketing (19 NGOs), and credit management (54 NGOs). The total cost was \$47,000, including consultant fees and honoraria, travel, per diem and materials.

Cost per NGO	\$ 505
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In summary, PACT reports that a total of 431 NGOs have participated in some way in project events. Given expenditures to date, this represents a per-NGO cost of some \$15,736. Since most of these NGOs first received project services after the May 1994 Shakedown Evaluation (i.e., beginning in

1995) a fairer way to look at per-NGO cost would be to deduct subgrant expenditures from the total spent since then. This calculation puts the per-NGO cost at \$6,828.

5 MONITORING AND EVALUATION

Findings

PACT developed an effective process for tracking subgrant activities. In conversations with staff it was clear that the PMU was also in command of project implementation details. The files we examined showed abundant examples of trip reports which recorded "findings" for each trip, and catalogued any corrective actions to be taken. Correspondence indicating follow-up actions is also in project files. Mid-term and final subgrant evaluations proved to be informative and well presented. The existence of baseline data for 10 of the 14 development subgrants appeared to the team to ensure that final evaluations of those subgrants will allow for reporting in some depth on changes in beneficiary status over the LOP.

PACT has also made itself the repository of considerable information and data concerning NGOs. Those participating in the original subgrant application process as well as those participating in training programs, routinely were asked to respond to detailed questions about speakers, location, objectives, type of projects, relations with donors, and so forth. Part of such information was used to produce the first edition of the National Directory of NGOs. As discussed earlier, information in that publication resulted from records kept by both PACT and SECTI.

Information in PMU files is systematically maintained for use in reporting to USAID. This includes financial reports from subgrantees, and also lists of NGOs trained, along with their geographic location. However, it should be noted that as a result of the Mission's reengineering process which began in 1996 (as discussed in Chapter I), both the Mission's Intermediate Result and the accompanying indicators evolved over time, with the final version not adopted until the first part of 1997. As might be expected, the evaluation team found a consequent disconnect between the terms of PACT's development and IS subgrants to NGOs (awarded in 1994 and near completion) and the first three of the Mission's current IR indicators. Moreover, as outlined in the 1997 Work Plan, PACT's own activities have not yet been fully adapted to those new indicators.

In terms of the Mission's **first SO #2/IR indicator** (reduction in NGO administrative costs at either 10%-15% or over 15%), the definition section of PACT's Results Framework states under "Efficiency of Direct Costs" that this "measures the evolution of the relation between direct expenses and income received during the year." The OVI listed is "an increase from X% to Y% in the average percentage of direct expenses/income received to be executed during the year by the end of the project. The values will be determined when there is a baseline for this indicator." The same "X% to Y%" measures are repeated for "Efficiency of Indirect Costs" and for "Efficiency of Management of Financial Resources."

In the methodology section of the Work Plan, PACT explains that baseline data do not yet exist for measuring progress in accordance with USAID's new indicators. Specifically, with regard to NGO "Effectiveness," the Plan notes the absence of baseline data, and for "Efficiency" it is stated that baseline data had not been collected for the first two indicators, a Technical Sheet (J) was to be

designed and used in future. The definition of 'Accounting System' contained in the Work Plan states that such systems 'should permit reliable and transparent institutional fiscal management in which are distinguished direct and indirect expenses by source and by project.' It is then noted that "The use of SISCONG or similar software permits this type of management." The description of the Administrative Accounting Training Activity (#3300) in the body of the Plan makes no specific mention of direct/indirect cost issues, though it does state that SISCONG accounting software is 'subject constantly to innovations in order to respond to the suggestions and needs of the NGOs.' In discussing the significance of this indicator, USAID officials explained that, over and above the Mission's approach to measuring progress, it is important for NGOs to understand that a decrease in the proportion of funds spent for indirect costs (i.e., reduced overhead rates) contributes to their own institutional strengthening and sustainability. Therefore, USAID sees this as a crucial concept about which NGOs need to be educated.

As explained earlier, we found that virtually none of the NGOs interviewed were familiar with the concept of overhead or direct/indirect costs, and were thus incapable of providing such information at the time of this evaluation. Moreover, the PMU reported that while it had sent out requests in an attempt to gather such information, the NGOs had been largely unresponsive. In addition to the fact that current NGO accounting practices do not usually provide for production of direct/indirect cost data at the organizational level (i.e., as opposed to the individual grant level), requests for this type of information were viewed by some of the NGOs we interviewed as inappropriate interventions into the NGO's internal affairs. That is, while grantees understood the need to submit full financial reports on the use of grant funds to the respective donor, some NGOs felt that this does not entitle the donor to reports on the organization's entire operation. On the other hand, NGOs were willing and able to share information on the amount or proportion of the organization's "own funds" - i.e., income earned for non-grant-related services, such as consulting/technical assistance by NGO personnel, rental of equipment, and so forth. In fact, a good number of the NGOs interviewed pointed to the need to increase their "own" income in order to better ensure the organization's sustainability over time. This need was also mentioned by various NGO accountants during our interviews with those Networks in Ayacucho and Cajamarca.

Audits arranged for by PACT were recently completed on most PACT subgrant activities. They were done on a two-phased basis. Auditors were asked to complete basic audits and then return to visit each grantee to assure that the corrective actions recommended had been understood and properly acted upon. During our interview, the auditors stated that PACT training had indeed had a very positive effect, and that the accounting capacity of subgrantees had been strengthened. They also confirmed the lack of understanding by NGOs of the concept of overhead expenses at the organizational level.

With regard to USAID's indicators related to the improved targeting of districts classified as 'high priority poor' (**Indicators 2 and 3**), PACT maintains a spreadsheet containing data used for targeting NGOs operating in high-priority, poor areas of Peru. Nevertheless, as described earlier, none of the existing subgrants include indicators related to improved targeting. The definition of "Geographic Coverage" contained in the 1997 PACT Work Plan is "the intervention of the NGOs in new geographic areas (communities and/or districts) belonging to districts in conditions of critical poverty." PACT's report of January 1997 titled, *The Evolution of the Geographic Focus*, PVO

Support Project Activities 1993 Through 1997, With Regard to the GOP 419 Poverty Districts speaks to this issue for which NGO data are provided on two indicators Chronic Malnutrition, and Basic Needs The 1997 Work Plan lists various data collection methods including NGO registration forms, evaluations, trip reports and the new Technical Sheet (J) to be designed

PACT's principal system for measurement of changes in the **institutional status of NGOs** participating in its program consists of a detailed four-part questionnaire called "Indicators of NGO Institutional Strength " The questionnaire is filled out by PACT staff or hired consultants during visits to NGO offices It contains a section for collecting basic information, and four additional sections covering institutional identity, organizational capacity, external relations and organizational resources Overall, 58 questions are included, each of which can be answered by checking one of five boxes marked 1) Don't have, 2) Barely adequate, 3) Adequate, 4) Very adequate, or 5) Not needed Questionnaires, which provided the baseline information subsequently recorded, were administered from 1994 through 1996 168 NGOs were covered Responses have been entered into a FOXPRO database

The evaluation team asked for and was provided copies of questionnaires and the baseline "scores" of the NGOs it was to visit in the field The field instrument we had designed covered much the same ground as the PACT questionnaire As the interview process went forward, we routinely reviewed information included in the completed questionnaires along with PACT's computer-generated numeric ratings We found these baseline analyses to be of relatively little use in establishing the exact institutional status of NGOs at the time the questionnaires were filled out, or of changes since then to the present At best the instrument gave only a glimpse into earlier conditions, mainly whether or not certain documents or processes had been in use by the NGO at the time the questionnaire was first administered

PACT is aware of the flaws in the baseline data collected Therefore, a new instrument has now been designed and field tested The new forms are more sophisticated and collect more detailed information than was the case earlier They also attempt to assure that the basis for judgements made by those administering the instrument is made a matter of record, by requiring that written observations be included on the form The MSI team found the new questionnaire format to be significantly better than that used in the initial data collection process Information collected in the second round (June-August 1997) will allow PACT to analyze future changes in NGO institutional conditions as a result of its programs with a greater degree of specificity However, relating the new data to that collected in the earlier round, and to the numeric ratings established for each agency, will be difficult As stated, for the most part, the MSI team found the first round of information to be of little use

CHAPTER III PROJECT ORGANIZATION & ADMINISTRATION

1 PROJECT MANAGEMENT UNIT (PMU)

Findings

A Structure, Management, and Image

Following the May 1994 Shakedown Evaluation, PACT's Project Management Unit (PMU) underwent significant change designed to place greater emphasis on the institutional strengthening facet of the project, while eliminating Food For Development tasks and anticipating the termination of project subgrants in April 1997. Changes included replacement of the project Director, with the current incumbent taking the reigns in October 1994, elimination of the position of Deputy Director for Projects in January 1997, elimination of the Deputy Director for M&E slot, with the incumbent re-assigned as Institutional Strengthening Coordinator - a position also eliminated in early 1997, and the addition of a Training Coordinator in June 1996. Other key staff positions and incumbents remained including the Comptroller, Agriculture & Participatory Planning and Credit Coordinators and support staff (recently increased with the addition of a secretary for the Comptroller).

The Director explained that on arrival he found a staff badly divided into two factions. The negative environment within the PMU motivated him to seek the help of an industrial psychologist to improve interpersonal relations and engage all staff in strengthening project operations.

As it now stands, all PMU professionals report directly to the project Director. This includes the three Coordinators, as well as the Comptroller, with all involved in training activities. That is, the Comptroller handles module 5 of the Basic Training Program, as well as separate SISCONG workshops, the Agriculture & Participatory Planning Coordinator is in charge of PPAL, which includes three training events, the Credit Coordinator designs and conducts technical training, and does occasional presentations during Basic Training workshops, and the Training Coordinator handles only modules 1-4 of the Basic Training Program. In addition, each has her/his own team of consultants, with no formal communication among them. In short, the staff is organized vertically, with all professionals reporting to the Director and no formal mechanisms for horizontal relations or teaming arrangements.

During this evaluation, the MSI team interviewed the five professional staff members, unfortunately, time limits did not permit us to meet with support personnel. It was explained that the PMU meets weekly (usually on Monday) to share information, and quarterly to synchronize schedules and prepare work plans. The Director reports that the overall management strategy is to bring the whole team together to analyze issues and make decisions, to divide labor and assign tasks, to assume these responsibilities and complete requisite activities and to review progress at the next meeting. These weekly/quarterly meetings appear to be the main instances of regular, project-wide coordination. That is, there are no regularly-scheduled separate sessions, for example, to deal with training plans, workshop design or methodologies.

All concerned reported that the PMU remains badly divided, with two main factions which revolve around the Comptroller on one side and the Training Coordinator on the other, and that there is a

continued undercurrent of inter-personal tension. As noted earlier, this is apparent in the way the Basic Training Program is conducted and brochures are printed. Moreover, financial reports for the training program are divided into two sections (financial training and other).

This unfortunate polarization of the staff appears to diminish the PMU's capacity to produce well-integrated plans and activities. We found that the project Director is well-liked and respected by the NGOs, donors and others interviewed, and that the Comptroller and area Coordinators are also highly regarded by those with whom they have worked. However, there is a broadly-held view that, while PACT's efforts have been an important contribution to the NGO community, its activities are too segmented and scattered, and that they need more purposeful focus, substantively, geographically and in the selection of the NGOs with which PACT works. One donor perceived that the "PACT team is not solid, it is simply not a team." Another donor view was that the small project staff "is not seeing the same vision."

'*Consolidacion*' was the word used most frequently to describe what PACT should do in the next stage of the project. There was also a call for PACT to collaborate more earnestly with existing networks and associations as well as with sectoral and geographic consortia. A number of organizations mentioned having discussed some specific collaborative venture with the PMU, but that, alas, PACT's priorities appeared to have shifted unexpectedly to other directions. Donors reported only informal coordination within that community, several suggested that PACT could play a more catalytic role in facilitating coordination of their efforts.

B PMU Support from PACT/Washington

The PACT project Director and Comptroller explained that they are in frequent contact with the Washington office. The Director attends PACT's annual meetings in the U.S., and the Comptroller, as well as the former Deputy Director for Projects, also participated in one of those meetings.

PACT/W representatives visit the PMU about twice a year, generally alternating between program and administrative/accounting staff. The PMU Director also reported that the organization's Deputy Director had come to Lima about two years ago, and that she will be here at the end of the MSI team's visit.

In short, PMU staff expressed satisfaction with the level of support provided by the PACT Washington office.

C PMU Relations With USAID/P

Reportedly, PMU relations with the USAID Mission were quite tense prior to the arrival of the current project Director. This seems to have been largely overcome. Any remaining tension appears to relate to a difference of style and project expectations between the project Director on the one hand and the USAID project manager on the other. Though PACT is now housed in the building where USAID is located, communication between the two appears only formal, with issues of critical importance taken up by PACT with the Chief of the Food for Development Division during periodic meetings, or with higher-level USAID personnel. In general, Mission officials expressed their regard for the PMU Director, and seemed satisfied with the project.

One perception among NGOs and others was that PACT's ability to act is limited by USAID project managers who had kept a tight reign on the PMU's activities, and whose views differed from those of project staff. For instance, one donor commented "The trouble with PACT is that it seems to have too little discretion to support small projects or parts of projects which is just the kind of thing that NGOs need." Various NGOs told of high-impact action they could take to capitalize on a sudden window of opportunity," requiring only a small amount of money to do so. They regretted that PACT has no provision for such quick-turnaround "mini-grants."

It was also reported that the current PACT project Director has been very cooperative and flexible working with the Mission to best accommodate project activities. For example, during USAID's re-engineering exercises he worked with the Deputy Mission Director and others to retrofit the project within the new Results Framework for SO 2, where the project was ultimately placed. He has also cooperated with USAID SO 2 personnel working on the new Intermediate Cities strategy promoted by the Agency. In addition, the PMU has cooperated with the ODIT/SO 1 team, providing training for human rights NGOs, as well as with the Health Office. Moreover, the Mission Director and others have been invited to make presentations at project events and to visit project sites, while the USAID Project Manager makes regular on-site visits.

Our review of a sample of the PMU's quarterly and annual reports to USAID reflected a rather dry transmittal of basic project information, with no analysis of the overall impact or import of the activities undertaken or their significance within the ever-changing local or national context. The PMU explained that analyses of key subjects are done separately for specific audiences.

2 OVERALL COST-EFFECTIVENESS & SUSTAINABILITY

Findings

A Project Costs

We find that it is not possible to judge the cost-effectiveness of this project with any degree of accuracy for two main reasons: a) no reliable baseline was established against which to measure improvements in institutional strengthening - the major purpose of this activity, and b) because the main project task (IS training) was not addressed in any coherent manner until March 1995, some two-and-a-half years after the CA was signed. Specific financial data for the overall project and for its various components are provided in Chapter II.

B Sustainability

With regard to sustainability, much will of course depend on the availability of USAID or other resources. Another key factor will be how the knowledge and experience that has now been accumulated by the PMU will be put to use between now and the end of the CA in September 1998, and for the out-years (the PMU calculates that, assuming the full \$13.6M in the CA, it could operate to September 2000 through a no-cost extension). Another factor within USAID's control is whether/how PMU services might be made available to other parts of the Mission.

We find that there is a clear need for the continued strengthening of Peruvian NGOs which have become critical mechanisms for channelling resources and technical assistance to the poorest areas of the country. The USAID Director indicated that some 50% of Mission-sponsored activities are carried out through NGOs/PVOs while the GOP also plans to continue using these organizations in its War on Poverty. One donor noted, "NGOs are risky because they are weak strengthening is crucial." He then added "The major sickness of NGOs is the severe fragmentation within the community and donors are not coordinating either." Another donor asserted "PACT has a good reputation and access to national NGOs, but I still have to ask what are the criteria PACT uses to select NGOs for assistance? What really is PACT's strategy? What is the quality of what PACT delivers, and what follow-up actually occurs? What are the qualifications of the staff? Questions like this make some of us [donors] wonder."

Meanwhile key NGO leaders felt that these organizations represent an undeveloped and underestimated resource. As one said "NGOs must be seen as the force they are by government and business and the academic community." Another interviewee held "NGOs are a pretty potent force," and that "how to channel them is the question." He then added, "They could be a much greater, healthier force in the relatively near future."

The project speaks of providing IS at three levels: consortia, NGOs, and community organizations. However, it is the middle level (NGOs) that has received the great bulk of PACT's attention, and it is the only level addressed in the current project logframe and indicators. Meanwhile, many donors and NGOs wonder why PACT has not made specific efforts to strengthen the other two levels. As one donor remarked "Something none of us has understood is that if they [PACT] want better efficiency among NGOs, they have to work with groupings, consortia. This is how to have impact." Meanwhile the Fondo Contravalor Peru-Canada referred to its work with consortia as "a mess, confused," noting that instead of strengthening the work of consortia, Canadian funds had "crippled them" because they weren't well-organized. It was then noted that there is scope for PACT to work with consortia to make it possible for donors to engage more effectively with them. This was seen to be "a timely challenge."

We found that little is really known about the recent growth and development of consortia, networks and other such cooperative ventures in Peru. This, therefore, appears to be an important area for investigation. Moreover, it would be possible to design training interventions aimed at strengthening consortia in such a way that appropriate techniques and methodologies can be adapted so that they can also be used by NGO affiliates to strengthen their own organizations and, in turn, applied by those NGOs in their work with grassroots community groups, thus significantly increasing the impact of the investment.

Because PACT has accumulated significant experience in its work with NGOs, it could also be of invaluable assistance to other USAID offices (particularly for strengthening civil society and local government), as well as to other agencies working in Peru. USAID officials indicated that, if PACT were present in Lima as an independent entity, they would likely call upon its services for NGO training and technical assistance.

CHAPTER IV CONCLUSIONS

Based on the findings described in the foregoing Chapters the MSI team drew conclusions which respond to the questions posed in the Scope of Work for this mid-term evaluation. They are as follows

1 PROJECT DESIGN

The original project purpose, objectives, results, activities and assumptions were feasible and logical. However, for reasons discussed earlier, the major direction articulated in the Project Paper (i.e., institutional strengthening) was not fully addressed until some 30 months into the project. Meanwhile, the management of development subgrants in the areas of agriculture, health and micro-enterprise diverted much of the PMU's attention and staff resources to those areas. Meanwhile, the project did not take sufficient advantage of existing NGO consortia or seek to inspire the creation of new ones, having awarded IS subgrants to only the two consortia in Ayacucho and Cajamarca (rather than the six originally envisioned), plus to a grouping of five health NGOs in Cusco, before USAID ended subgrants in 1995. (The subgrant to Coincide in Cusco was not aimed at the institutional strengthening of NGOs, but rather at improving health conditions.)

As described in the 1997 Work Plan, at the time of this evaluation project activities had not yet been fully adapted to produce the results called for in the four SO #2/IR performance indicators adopted recently by the Mission as a result of the reengineering process; baseline data did not yet exist. The first of these indicators (number of USAID-supported NGOs realizing a reduction in administrative costs) is not a feasible measure of progress at the present time, as target NGOs are neither aware of its importance nor capable of producing the data required. While important, the next two indicators are also impractical at present. Those relate to improved targeting to poor districts or shifting resources to focus on the poorer districts, measures that are currently impractical because they were not specified in subgrant agreements or training activities. While it was understood by all concerned that project activities were to be carried out in the 419 poorest districts identified by the GOP, no apparent incentive was provided for NGOs to move a greater portion of their activities into districts termed "very poor."

Given the disconnect between the indicators selected by USAID for measuring SO #2/IR progress and those included in PACT subgrants to NGOs and its own Global Plan, it will not be feasible to apply fully the first three of the new indicators until such time as project activities are duly retrofitted and baseline databases created against which to measure future progress. Until such time as USAID and PACT agree on a definitive PACD, the practicality and details concerning such an investment of fiscal and human resources cannot be accurately assessed.

The underlying hypothesis that strengthening NGOs institutionally will contribute to poverty reduction is valid for reasons already discussed. However, the notion that the award of development subgrants to NGOs will result in their institutional strengthening is a questionable and costly way to achieve that end.

2 INSTITUTIONAL STRENGTHENING

The design and content of the modules included in the first two workshops of the **Basic Training** course (Modules 1-4) conducted by the PMU are effective and appropriate to the two major issue areas covered (NGO Management and Project Design). The form and methods used combine presentations by PMU staff and outside specialists, together with small group exercises and videotapes to underscore the concepts in question. Use of the logical framework is the most immediately practical and most highly-valued part of the course, followed by strategic planning. The greatest value of the approach to strategic planning is that it leads NGOs to launch participatory processes within their organizations, while the format used for the final plans leads to confusion between longer-term strategic plans at the institutional level and annual work plans at the activity level. No specific approach to educating NGOs about the rationale behind USAID's choice of IR indicators 2 and 3 (dealing with the transfer of activities and resources to "very poor" districts) had yet been incorporated into the strategic planning component. Technical assistance is readily available to trainees by contacting the PMU and during site visits. Follow-up with trained NGOs between courses (i.e., written reviews of their plans by PMU staff and consultants, followed by on-site discussions), would be improved through more verbal contact and fuller discussions at the offices of the NGOs in question during longer PMU site visits.

The third and final workshop (Module 5) of the Basic Training course dealing with Financial Management has also been effective in strengthening NGO accounting capabilities, the same general methodology described above is used. This module had not yet been adapted to fit with the SO #2/IR indicator concerning reduced administrative costs. This module ends with an introduction to PACT's **SISCONG** software, for which additional training is offered. Again, that training is well-designed and effective, though the system itself still needs improvement to be most useful to NGO accountants. In addition to the absence of a way to track administrative/overhead costs at the institutional level, a component for administering NGO credit portfolios is needed. A review of credit systems already in use by a number of NGO subgrantees and others would be an appropriate way to explore how best to fill this need.

Meanwhile, there is no proactive plan or specific strategy for the provision of **technical training** to NGOs that have participated in the Basic Training course, as originally envisioned. This training is, rather, is a reactive approach for strengthening NGO technical capacity, and has on occasion led to the selection of topics of less-than-critical importance. Based on experience to date, which has provided a clearer sense of technical priorities as seen by NGOs, it is now important to choose the areas they perceive to be most critical, such as credit, marketing, and gender analysis, and specialize only in those subjects through well-designed, in-depth training modules.

The **PPAL** program is aimed at stimulating a collaborative process for involving communities, government and business leaders, and potential funders in the formulation of district-level development plans. This process involves three workshops, spread over time, to train NGOs and others in the methodology for working with grassroots groups. However, as recognized by PPAL designers, in terms of active grassroots involvement, the process culminates with a list of problems prioritized by the communities involved. Lists are subsequently packaged by specialists into district-level plans which are then presented to potential donors at project "fairs," while not engaging community members in the formulation of the plans presented. While the involvement of

community members in the prioritization of their needs was hailed as an important first by local authorities if re-designed to involve citizens more fully in the entire process the overall initiative would be strengthened A greater measure of civic education for those who participate would also result Since the first provincial-level PPAL fair was to take place after completion of this evaluation information on impact at that level had not yet become available

As shown in the foregoing Chapters, the **cost** of IS training interventions is difficult to calculate, since it involves a variety of approaches - in which the same NGOs often participate Nevertheless expenses related to the Basic Training Program and to SISCONG training, as currently designed seem reasonable The elimination of presentations by professionals from Lima or other distant locations would result in even lower costs Costs for the PPAL program, however, seem high, and would also be reduced, while making the program stronger, by revising the basic design to increase the active involvement of community members and reduce that of outside specialists

With regard to the **sustainability** of the IS program once the project is completed it must be recognized that this was not a specific project objective nor was it built into the design That is while participating NGOs were to strengthen their ability to promote *sustainable* development the sustainability of the institutional strengthening activity itself was not part of the project purpose or results to be attained

This investigation leads to the conclusion that, except for the two IS subgrants to consortia (discussed below), the sustainability of the IS activity is highly questionable, particularly if PACT does not remain in the country to capitalize on the experience gleaned This is due to the fact that, while NGOs have received IS training, there has been no significant transfer of IS training/consulting skills to the NGO community, nor have solid partner relationships been developed with any national NGO or consortium Therefore, no cadre of local IS specialists has been developed The failure to do so is considered by some to be one of the project's greatest weaknesses

While it would be possible to develop similar IS programs, including a transfer of such skills during their implementation, for the NGOs already trained through the current project, other types of organizational development (OD) interventions are now needed These include such areas as membership, board and resource development, external visibility and internal communications, team-building and conflict management, and so forth Again it would be possible to build techniques for dealing with these questions into future IS strategies

3 DEVELOPMENT SUBGRANTS (14)

Subgrant designs were appropriate to their objective of achieving increased family income or quality of life However, few actually addressed IS at the community level by including specific objectives and indicators NGOs selected to implement subgrants were a mixed group of relatively weak or moderately skilled institutions Due to field conditions and lack of experience in implementing development activities, many subgrantees went through a troubled period before getting their projects up and running Due to these early difficulties, overall costs per beneficiary were high Many participating NGOs, however, eventually emerged with quite solid projects, and much improved efficiency (lower per-beneficiary costs) as their projects went into the last year of execution PACT technical assistance and monitoring played an important role in assisting NGOs

to bring their activities to this level of relative efficiency and effectiveness and also in linking NGOs to one another to share technical and administrative experiences

4 IS SUBGRANTS TO NGO CONSORTIA (2)

In terms of the project's institutional strengthening efforts, the subgrants to CIDRA in Avacucho and CIPDER in Cajamarca rank among the most significant and productive endeavors undertaken. Though begun with varying degrees of difficulty, and still needing improvement, the IS training provided through those subgrants has resulted in a real awakening among participating NGOs as to the importance of having a longer-term vision for their organizations and of more clearly focusing their efforts. However, the IS basic training courses conducted by these consortia are beginning to reach the stage of diminishing returns.

IS training has been targeted at the NGO level, while techniques and approaches to the strengthening of the consortia themselves (which implies a separate set of dynamics, skills and strategies) were not fully addressed by the project. Therefore, maximum advantage was not derived from this opportunity to track the evolution of these organizations, or to capitalize on their considerably broader potential for the reduction of poverty.

If the project had given priority to working with and through such site- or issue-specific entities, its overall impact would have been increased significantly. For instance, if mandated to do so, the project could have built consortia capacity to negotiate with government agencies, and even to pursue their interest in pressing for policy change to better address poverty. In addition, by working at the consortia level, IS interventions could have been adapted by member NGOs for use in their own organizations and within the communities in which they work, thus creating a three-tiered transfer of IS skills. This type of comprehensive strategy would also have better ensured sustainability and increased poverty reduction.

While the amount allocated for the purchase of computer equipment for NGO development subgrantees at each site (some \$20,000) is not unreasonable, channelling those funds through the respective consortia subgrants was an awkward way to approach the issue - in one case (CIDRA), this caused subsequent complications.

5 PMU ORGANIZATION AND ADMINISTRATION

Inter-personal tensions among PACT staff have diminished the PMU's capacity to analyze and produce well-integrated plans and activities. Responsibilities for key elements of PACT's overall program are scattered among staff, most of whom report only to the Director. The "non-togetherness" of PMU staff in terms of holding a shared vision and sense of mission has been widely noted by people in a range of institutions with which PACT works. Many of these outside impressions have to do with the recent dismissal of two key PACT staff members. PACT's overall good reputation is being diminished as a result, and the fact that the PMU is seen to be partially dysfunctional needs to be addressed aggressively.

PMU relations with USAID have been adversely affected by differences of opinion about project management. Many of these differences appear to relate to the overall approach (though

theoretically agreed upon by both parties since this is a CA and not a grant) which as indicated elsewhere involves numerous activities, both major and minor, being implemented without sufficient thought and analysis as to their relative importance, costs and relationship to overall project objectives. The USAID reengineering process and the adoption of new IR indicators resulted in a further disconnect between the SO and the project, which further exacerbated this situation. Meanwhile the USAID Project Manager must answer to the Mission for project results. PACT's bland and unanalytical reporting has further aggravated that relationship. However relations with other higher-level USAID officials, who are largely free of the nitty-gritty details of day-to-day implementation, appear to be quite good. A concerted effort at rapprochement between PACT and the USAID Project Manager is overdue. Many of the latter's objections or questions about the project are well founded, and PACT would do well to listen and respond in a more direct manner.

6 PROGRAM COST

PACT's slow start with relatively high costs for little in return during the first years of the project skew any measure of cost as related to project impact. Returns on investment in 1995 showed considerably improved project efficiency, results and impact. Now that PACT has developed the central elements of its training and technical assistance activities, it is in a position to further increase the level of effectiveness. This will require that PACT consolidate its efforts and focus on investing only in certain key elements of its overall offerings, which still retain an overly-diffuse spending pattern.

7 COHERENCE OF THE PROJECT

The great bulk of the questions posed in this section (5) of the SOW are answered elsewhere. To that, we would add only the following responses for 5.1. Yes, the relationship between inputs and activities has been reasonable. Yes, activities have been useful in the achievement of results, but can now be strengthened in light of past experience and the current SO #2/IR indicators. Yes, the hypotheses implicit in the current design of the project are realistic, though they were not duly addressed for the first 30 months or so. We would also point out (per 5.3) that unexpected results include the establishment by members of the two IS consortia of separate entities for administering credit programs (Rasuhilca and FONDER), the switch by most NGOs to Credit Funds (cash) from Rotating Loan Funds (in-kind), development of the SISCONG software, as well as ECFAM, the eight Accountants Networks, and the development of PPAL as a mechanism for district-level development planning.

8 INFORMATION AND MONITORING SYSTEM

PACT information systems are adequate to manage this project. Financial accounting appears appropriate to the task and, as already observed, the monitoring of the subgrant program has been well handled. Costs for development of the ECFAM system for measuring the progress of development subgrants were relatively high in terms of the number of participating NGOs (10). However, it will not be possible to judge the cost-effectiveness of this investment until after the second round of data have been collected and analyzed later this year.

As already discussed the IS baseline that resulted from PACT's first round of data collection on the NGOs that have participated in its institutional strengthening program is flawed. The new instrument being used by the PMU in the second round (to be completed in August 1997) is much improved; these new data will serve to measure future progress, but relating this new set of data to the earlier one will be difficult.

Information of many types is available to PACT from a variety of sources as a result of its training activities and wide range of contacts with NGOs and other interested parties in government offices, and in the private and donor sectors. PACT has yet to analyze much of this information in order to use it in decision-making internal to its own activities or for broader strategic purposes.

PACT reporting to USAID/P reflects the analytical deficiencies cited above. To date, it has not been effective in discussing the meaning and strategic significance of the various achievements or deficiencies of the project.

Now that USAID has formally adopted SO #2 IR indicators, it is possible for PACT and the Mission to agree on the most appropriate set of activities to be undertaken in future, and for PACT to formulate a new Work Plan accordingly.

CHAPTER V RECOMMENDATIONS

1 OVERALL FRAMEWORK FOR FUTURE PROJECT DIRECTION

USAID/P and PACT should work together to re-design future project activities keeping in mind current SO #2/IR indicators and ensuring that remaining resources and time available to the PACD (whether it be September 1998 or 2000 or some other date) are invested in a manner that capitalizes on the project's strengths and experience to date, while more sharply focusing its outreach

Based on the information gathered about the current situation in the country and the needs reported by NGOs, the following two major scenarios emerged and are presented here for consideration. The first covers the period to September 1998, the current PACD, while the other contemplates the period from now to September 2000, should USAID approve a no-cost extension. Specific recommendations for each Scenario are presented in Parts Three and Four of this Chapter.

Scenario One To September 1998

- A With the exception of the two IS subgrants to consortia (CIDRA and CIPDER), all others end as scheduled in September 1997
- B The PMU continues and strengthens PPAL by involving community members more actively in the entire process. IS training activities are also continued and revised to incorporate the key concepts inherent in the current SO #2/IR indicators (i.e. the rationale for improved targeting of very poor districts in modules 1-4, and the significance of direct/indirect costs in module 5). A well-planned Basic Training module (#6) is added to address key technical subjects such as credit, marketing and gender analysis. The overall coverage of training activities is reduced, sharply-focused
- C Project experience, methodologies and documentation are catalogued and widely disseminated
- D If time permits, consideration could be given during this close-out year to providing services to other USAID offices, such as the SO 1 team

Discussion Since development subgrants are due to end in September 1997, close-out procedures will no doubt require significant PMU attention to at least the end of the year. Therefore, only those activities already in process would continue, while project experience is duly documented and disseminated to NGOs, donors, key government offices and other interested parties. At the same time, because PPAL and Basic Training initiatives are quite new, and given current SO #2/IR indicators, they are refined and improved.

Scenario Two To September 2000

- A The PMU and USAID re-design the project and its rationale is re-cast to bring it into closer accord with USAID's broader priorities involving NGOs particularly SOs 1 and 2 and SSO 5
- B The PMU continues improved PPAL activities (as above), and adds civic education/civil society to its training program
- C The staff is re-configured, bringing in professionals with solid OD methodological skills and experience the focus of training shifts away from a workshop setting, placing it within targeted consortia and NGOs
- D A modest amount is set aside in the budget for "mini-grants" to NGOs for specific high-impact purposes, with results carefully monitored, documented and disseminated
- E Professional case studies on such issues as the evolution of consortia and selected development topics which might include the status of NGO-operated credit programs, collaborative marketing schemes for rural producers, and the participation of women in target consortia/NGO activities, are conducted, published and widely disseminated

Discussion As noted earlier, there is an urgent need to assist NGOs with issues related to organizational solidity and sustainability. Our discussions confirmed that this can best be done within the organization itself rather than only in workshops, which are beginning to reach a state of diminishing returns (i.e., the majority of the NGOs interviewed reported that people are "tired" of workshops and need more in-house assistance). Meanwhile, we observed numerous situations in which NGOs were positioned to carry out a specific, high-impact activity, and often needed only a small amount of money to capitalize on such opportunities.

2 GENERAL RECOMMENDATIONS

Mission Indicators for the SO #2/TR USAID/P should postpone application of current Indicator #1 dealing with reduced NGO administrative costs until such time as Mission personnel and the PMU have agreed upon the establishment of a baseline and the means for collecting the data needed for measuring change over time - something which is not feasible at the present time. In the interim, a substitute indicator might relate to the proportion of total funding that target NGOs receive from a single source or, in the alternative, the percentage of total support received as the NGOs "own resources" (i.e., the amount raised through activities not related to any specific project or funded by traditional donors).

USAID/P should also hold pending the application of Indicators #2 and #3, which deal with the "improved targeting" of NGO activities to districts classified as very poor within the 419 identified by the GOP until there is agreement between the Mission and the PMU as to how NGOs are to be educated about the rationale behind these measures and mutually-acceptable incentives are built into project activities.

USAID/PACT Coordination USAID/P officials should take advantage of the process of reviewing PACT's 1998 Work Plan to ensure that long-standing differences of opinion concerning the direction of this project between USAID's Project Manager and PACT's Director are put to rest. Senior USAID officers should make special efforts to see that the views of both parties are surfaced, discussed, and resolved, so that PACT activities in the next year (or years) can proceed with a clear understanding by both parties of the manner in which USAID's "substantial involvement" will be exercised in this Cooperative Agreement.

Services to Other USAID SO Teams The various USAID SO Core Teams, particularly SO 1 and SSO 5, should be canvassed, and decisions taken, as to whether or not PACT should include NGO training for those SOs in its 1998 work plan.

PMU Administration PACT should take immediate action to cement relationships within the PMU, ensuring that the planning and implementation of project activities continue on the basis of a jointly-held vision of mission and purpose which is understood and shared by all staff members and which accords with the Mission's current Results Framework.

Relations with Key GOP Agencies PACT should make a concerted effort to clear up any misunderstandings that exist between the project and the key government entities with which it works, particularly with SECTI as the official counterpart agency named by the GOP. In this regard, advice and counsel from some of PACT's closely-held contacts in the NGO and donor communities could be very useful.

3 CLOSE-OUT IN SEPTEMBER 1998

Should USAID/P determine that the PACD will stand as originally stated in the Cooperative Agreement and based on Scenario One described in Part One above, in addition to above General Recommendations, the following are specific recommendations for the period between now and September 1998:

Project Consolidation PACT should develop a comprehensive Work Plan, consolidating its activities and targeting specific strategic areas. The Work Plan should include the following elements:

Development Subgrants PACT should close-out all development subgrants as currently scheduled in September 1997.

Institutional Subgrants PACT should extend the CIDRA and CIPDER consortia institutional strengthening subgrants for an additional year to assure that each has sufficient support and time to determine how to best implement the strategies and operational plans they have developed to date with PACT support. PACT should jointly develop with each consortium a work plan for the period of the extension. The CIDRA proposal currently before PACT, calling for establishment of a School for Development, with little relation to the institutional strengthening purpose of this project, should not be funded in its present form.

ECFAM PACT should ensure that a final version of ECFAM software and manuals on its use will be made available to the NGO and donor communities

Case Studies In consultation with USAID PACT should decide whether the best of its subgrants should be the subject of professional project-supported case studies (individually or in combination to cover the experiences of the various NGOs that tackled similar issues in unique ways - for example in the delivery of credit or in the area of community organizing)

Basic SISCONG and PPAL Training As outlined in item B of Scenario One, PACT should continue and strengthen basic IS, SISCONG and PPAL training activities, adding an additional module (#6) to its Basic Training Program to address key technical subjects, such as credit or marketing

Further, a comprehensive plan should be formulated by staff to accommodate above training elements in a strategic manner. A staff member, other than the Director, should be made responsible for the day-to-day coordination and management of the plan and training team working in a participatory manner while ensuring the appropriate delegation of tasks to all involved

Above plan should be designed to reduce and sharply focus training activities to insure that the NGOs exposed to only some part of the Basic Training Program are given an opportunity to complete all modules. New NGOs should be included only to the extent that time allows for completion of the entire cycle before the PACD, and only if they are operating in the requisite high-poverty areas of the country. The only exception should be any training requested by other USAID offices, such as the SO 1 team

PPAL training should continue to complete work already underway, any new PPAL activities should go forward only to the extent necessary to further validate the efficacy of the PPAL methodology as amended to involve community members more fully in the entire process

Dissemination of Results Taking into account above activities, the PMU should ensure that sufficient time is set aside to catalogue all project experience, methodologies and documentation, and make plans for the wide dissemination of this material to the NGO and donor communities and among relevant GOP offices

4 CLOSE-OUT IN SEPTEMBER 2000

In the event USAID/P decides that this project should be extended beyond the original PACD, all of the recommendations contained in Parts One through Three above stand. In addition, it is recommended that the following elements be added for this extended period

Project Re-Design USAID/P and PACT together should re-design the project to the new PACD, aligning it more closely with USAID's broader priorities involving NGOs, particularly SOs 1 and 2 and SSO 5. PACT should then produce a new strategic plan, as well as a new results framework and

a detailed two-year Work Plan for the period 1999-2000 Elements of the new strategy should provide for the following

Staff Re-Configuration PACT should recruit and retain professionals with solid OD methodological skills and experience, shifting the locus of IS training to within the consortia and NGOs targeted and away from workshop settings, civic education/civil society should be added to the comprehensive training program

Mini-Grants A modest amount of project funds should be set aside in the budget for small grants to NGOs for specific high-impact purposes, with results to be carefully documented and disseminated These funds should also be used to support any professional case studies deemed desirable, covering issues such as the evolution of consortia or selected technical topics - i e , NGO-operated credit programs, collaborative marketing strategies for rural producers, and the role of gender analysis in poverty-reduction projects

LOGICAL FRAMEWORK

CONTAINED IN

GLOBAL PLAN FOR THE PERIOD OCTOBER 1994 TO SEPTEMBER 1998

PROYECTO DE APOYO A ONG'S EN EL PERU

MARCO LOGICO

RESUMEN NARRATIVO	INDICADORES VERIFICABLES OBJETIVAMENTE	MEDIOS DE VERIFICACION	SUPUESTOS IMPORTANTES
Fin. Se ha incrementado en forma sostenible el nivel de vida de la población de menores recursos ubicada en áreas críticas del país a través de las intervenciones de las ONG's en los sectores claves de agricultura microempresa y salud	Ingresos de población beneficiaria de proyectos financiados por PACT se incrementan en 50% al finalizar el proyecto Producción agropecuaria destinada al mercado de población beneficiaria de las subdonaciones de PACT se incrementa en 100% Disminuye en 50% la desnutrición aguda de los niños menores de cinco años de la población beneficiaria de las subdonaciones Se reduce en 25% la morbilidad general por EDAS en zonas de intervención de las ONG's a través de las subdonaciones de PACT	• Sistema de Reportes de Progreso del PMU y Línea de Base • Sistema de Reportes de Progreso del PMU y Línea de Base • Sistema de Reportes de Progreso del PMU y Línea de Base • Sistema de Reportes de Progreso del PMU y Línea de Base	Estabilidad política y democrática tanto nacional como regional Consolidación de la reinserción del Perú en el Sistema Financiero Internacional Continuación de la actual estabilización macroeconómica y crecimiento del producto • Relaciones positivas y estables entre USA y Perú
Propósito. Un conjunto de ONG's peruanas se han fortalecido institucionalmente y han logrado capacidad y eficiencia para ser promotoras del desarrollo sostenible de la población pobre ubicada en las áreas críticas del país	210 ONG's fortalecidas institucionalmente ONG's débiles (Índice de Fortalecimiento < 50) incrementan su índice en 50% ONG's medias (Índice de Fortalecimiento de 50 a 70) incrementan su índice en 35% ONG's fuertes (Índice de Fortalecimiento > 70) incrementan su índice en 20% 100% de actividades económicas como microempresas, fondos revolventes y actividades de comercialización promovidas por las ONG's a través de las	• Cuestionario para entrevistas a directivos de ONG's y observación directa del equipo PACT Línea de Base y Entrevista / Observación Final • Sistema de Reportes de Progreso del PMU Informes Financieros de las ONG's Convenios de las ONG's con Organizaciones de Base y Visitas de Campo	Gobierno del Perú permite que ONG's peruanas continúen siendo partícipes del proceso de desarrollo institucional en el Perú Continuación de la actual estabilización macroeconómica y crecimiento del producto Estabilidad política y democrática tanto nacional como regional Niveles de donaciones para el Perú de USA y otras Agencias no disminuyen

MARCO LOGICO

RESUMEN NARRATIVO	INDICADORES VERIFICABLES OBJETIVAMENTE	MEDIOS DE VERIFICACION	SUPUESTOS IMPORTANTES
	<p>subdonaciones operan sin subsidios al finalizar el proyecto</p> <p>30 ONGs con financiamiento de proyectos por PACT alcanzan en promedio el 90% de sus resultados y a su vez el 100% de estos operan con costos unitarios decrecientes a lo largo del proyecto</p> <p>• 6 Consorcios de ONG s incrementan su indice de fortalecimiento institucional en 50% en promedio</p>	<p>Sistema de Reportes de Progreso del PMU y Linea de Base</p> <p>• Cuestionario para entrevistas a directivos de Consorcios y observación directa del equipo PACT Linea de Base y Entrevista / Observación Final</p>	<p>considerablemente</p> <p>Relaciones positivas y estables entre USA y Peru</p>
<p>Resultados.</p> <p>1 ONG s beneficiarias del proyecto han desarrollado su vision mision y estrategia institucional y han definido propuestas de DESARROLLO sostenible acordes a las exigencias de sus respectivas dinámicas locales</p> <p>2 ONG s beneficiarias del proyecto han desarrollado su rol de convocatoria hacia otros agentes sociales para ejecutar las propuestas de DESARROLLO sostenible locales</p>	<p>• 60 ONGs beneficiarias del proyecto han formulado su visión misión y estrategia institucional y han hecho igual numero de propuestas de desarrollo local</p> <p>• Para 60 ONG s su Indice de Identidad Institucional hacia el final del proyecto se incrementa en 50% en ONG s débiles se incrementa en 35% en ONG s medias se incrementa en 15% en ONG s fuertes</p> <p>• Para 60 ONG s su Indice de Relaciones Externas hacia el final del proyecto se incrementa en 50% en ONG s débiles se incrementa en 35% en ONG s medias se incrementa en 15% en ONG s fuertes</p> <p>45 instancias de coordinación distrital funcionan con la activa participación de 60 ONGs bneficiarias del proyecto</p>	<p>• Documentos institucionales de las ONGs</p> <p>• Cuestionario (versión completa) para entrevistas a directivos de ONG s y observación directa del equipo PACT Linea de Base y Entrevista / Observación Final</p> <p>• Cuestionario (versión completa) para entrevistas a directivos de ONG s y observación directa del equipo PACT Linea de Base y Entrevista / Observación Final</p> <p>Actas Visitas de Campo</p>	<p>• Gobierno del Peru permite que ONG s peruanas continuen siendo partícipes del proceso de desarrollo institucional en el Peru</p> <p>• Estabilidad política y democrática tanto nacional como regional</p> <p>• Gobierno del Peru permite que ONG s peruanas continuen siendo partícipes del proceso de desarrollo institucional en el Peru</p> <p>Estabilidad política y democrática tanto nacional como regional</p>

MARCO LOGICO

RESUMEN NARRATIVO	INDICADORES VERIFICABLES OBJETIVAMENTE	MEDIOS DE VERIFICACION	SUPUESTOS IMPORTANTES
	Se formulan 45 planes de desarrollo concertados en instancias de coordinación distrital a propuesta de igual número de ONGs beneficiarias del proyecto	Documentos • Convenios de las ONG s con Organizaciones de Base e Instituciones diversas	
3 ONG s beneficiarias del proyecto han incrementado sus capacidades técnicas y metodológicas para la planificación y ejecución de proyectos de desarrollo sostenible	<p>• 210 ONGs han incrementado sus capacidades técnicas y metodológicas para la planificación y ejecución de proyectos de desarrollo sostenible</p> <p>Indice de Capacidades Institucionales para 60 ONGs hacia el final del proyecto se incrementa en 50% en ONG s débiles en 35% en ONG s medias y en 15% en ONG s fuertes</p> <p>Indice de Capacidades Institucionales para 150 ONGs hacia el final del proyecto se incrementa en 40% en ONG s débiles en 25% en ONG s medias y en 25% en ONG s fuertes</p> <p>• 150 ONG s de las 210 capacitadas diseñan propuestas de proyectos con legitimidad pertinencia y rentabilidad y concordantes con los Planes de Desarrollo Locales</p> <p>• PACT financia por lo menos 30 de las mejores propuestas de proyectos formuladas por las ONGs capacitadas por un monto total de hasta 7 2 millones de US\$</p> <p>• Por lo menos 180 trabajadores de 60 ONG s mejoran sus calificaciones técnicas</p>	<p>• Cuestionario para entrevistas a directivos de ONG s y observación directa del equipo PACT Linea de Base y Entrevista / Observación Final</p> <p>• Prueba a las ONG s de capacidades técnicas y metodológicas inicial y final</p> <p>• Proyectos</p> <p>• Convenios PACT con ONG s</p> <p>• Informes Financieros del PMU</p> <p>• Sistema de monitoreo del PMU</p>	<p>• Gobierno del Peru permite que ONG s peruanas continuen siendo partícipes del proceso de desarrollo institucional en el Peru</p> <p>Estabilidad política y democrática</p>

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MARCO LOGICO

RESUMEN NARRATIVO	INDICADORES VERIFICABLES OBJETIVAMENTE	MEDIOS DE VERIFICACION	SUPUESTOS IMPORTANTES
<p>4 ONG s beneficiarias del proyecto han ampliado su cobertura de acción y han diversificado sus fuentes de financiamiento</p>	<ul style="list-style-type: none"> • Para 60 ONG s el sub indice de Relaciones Externas hacia el final del proyecto se incrementa en 60% en ONG s débiles se incrementa en 40% en ONG s medias se incrementa en 20% en ONG s fuertes • PACT gestiona y logra el financiamiento para 30 proyectos formulados por 210 ONGs capacitadas En 1995 4, en 1996 6 en 1997 10 y en 1998 10 • Por lo menos 30 ONGs han diversificado sus fuentes de financiamiento trabajando en convenio de cooperación por lo menos con una nueva fuente cooperante • 45 ONGs beneficiarias del proyecto han ampliado su cobertura de acción desarrollando proyectos en nuevas áreas tipicadas como zonas de pobreza crítica 	<ul style="list-style-type: none"> Cuestionario (versión completa) para entrevistas a directivos de ONG s • Convenios ONG s con otras Agencias • Convenios ONG s con otras Agencias • Convenios ONG s con otras Agencias 	<p>Gobierno del Peru permite que ONG s peruanas continuen siendo partícipes del proceso de desarrollo institucional en el Peru</p> <ul style="list-style-type: none"> • Estabilidad política y democrática • Niveles de donaciones para el Peru de USA y otras Agencias no disminuyen considerablemente • Agencias de cooperación que trabajan en el Peru consideran legítimo el trabajo de PACT en este proyecto
<p>Actividades.</p> <p>1 1 Convocatoria y organización de Concursos de Sistematizaciones</p> <p>1 2 Talleres regionales ponencias temáticas y evaluación de proyectos en ejecución</p> <p>1 3 Convocatoria y selección de ponencias para Conferencias Anuales</p> <p>1 4 Conferencias nacionales centralizadas</p>	<ul style="list-style-type: none"> • 4 concursos • 18 talleres • por lo menos 24 ponencias seleccionadas • 4 reuniones 	<ul style="list-style-type: none"> • Solicitudes • Trabajos • Agendas programas ponencias conclusiones • Documentos • Agendas programas ponencias conclusiones 	<ul style="list-style-type: none"> • Disponibilidad oportuna de recursos

MARCO LOGICO

RESUMEN NARRATIVO	INDICADORES VERIFICABLES OBJETIVAMENTE	MEDIOS DE VERIFICACION	SUPUESTOS IMPORTANTES
1 5 Publicaciones y Difusión de materiales 1 5 1 sistematizaciones ganadoras 1 5 2 recopilación de ponencias de conferencias nacionales 1 5 3 publicaciones en medios masivos de difusión nacional	4 a 8 sistematizaciones ganadoras 4 grupos de ponencias 18 publicaciones en 4 años	Publicaciones • Publicaciones • Publicaciones	
1 5 4 programas de radio y videos	• alquiler de espacios semanales en 4 radios locales el primer año 8 el segundo y 10 el tercero y cuarto elaboración de por lo menos 8 videos	• Programas • Videos	
2 1 Promoción de instancias de coordinación local 2 2 Asesoría en elaboración de planes de desarrollo locales 2 3 Apoyo a la institucionalización de instancias de coordinación local	por lo menos 90 reuniones 8 consultorías • por lo menos 30 nuevos planes elaborados participativamente • por lo menos 30 instancias distritales funcionando formalmente	• Actas de reuniones Planes de desarrollo elaborados • Actas de constitución	Disponibilidad oportuna de recursos
3 1 Identificación y selección de ONG s beneficiarias 3 2 Elaboración de Planes de Capacitación 3 3 Capacitación básica a 150 ONG s 3 4 Capacitación intensiva a 60 ONG s con subdonaciones 3 5 Ejecución y gestión de las subdonaciones 3 6 Equipamiento a ONG s y capacitación en su uso	• 210 ONG s seleccionadas • 4 planes de capacitación anual 12 paquetes de 4 cursos para grupos de 17 ONG s cada uno • 15 paquetes de 15 cursos para grupos de 15 ONG s 15 ONG s reciben donaciones en 1996 para proyectos de desarrollo 20 ONG s con equipamiento adecuado y en uso	• Documentos • Documentos • Reportes trimestrales de las ONG s cuantitativos y cualitativos • Nuevos proyectos elaborados • Convenios • Visitas de campo	Cumplimiento en el proceso de aprobación de proyectos Disponibilidad oportuna de recursos

MARCO LOGICO

RESUMEN NARRATIVO	INDICADORES VERIFICABLES OBJETIVAMENTE	MEDIOS DE VERIFICACION	SUPUESTOS IMPORTANTES
<p>3 7 Intercambio de experiencias pasantias asistencia a seminarios y talleres etc</p> <p>3 8 Asesorías y asistencia técnica a 60 ONG s</p>	<p>Trabajadores seleccionados de 60 ONG s participan de estas actividades</p> <p>Asistencia técnica y asesorías del equipo de PACT y de consultores en forma permanente</p>	<ul style="list-style-type: none"> • Reportes de actividades • Sistema de monitoreo del PMU 	
<p>4 1 Preparación de inventario de Donantes</p> <p>4 2 Preparación de directorio de ONG s y Proyectos</p> <p>4 3 Reuniones de coordinación interagencias</p> <p>4 4 Mantenimiento de directorio</p> <p>4 5 Apoyo a la gestión de recursos de financiamiento para nuevos proyectos</p>	<p>1 inventario</p> <p>• 1 directorio</p> <p>• 1 instancia de coordinación</p> <p>• 1 directorio actualizado</p> <p>• por lo menos 30 nuevos proyectos financiados</p>	<ul style="list-style-type: none"> • Base de Datos de donantes • Base de datos de ONG s y proyectos • Actas de reuniones • Base de Datos • Convenios firmados 	<ul style="list-style-type: none"> • Disponibilidad oportuna de recursos
<p>5 1 Manejo financiero del PMU</p> <p>5 2 Manejo administrativo del PMU</p> <p>5 3 Preparación de Planes Anuales</p> <p>5 4 Preparación de Informes Trimestrales</p> <p>5 5 Coordinación con USAID</p> <p>5 6 Coordinación interna</p> <p>5 7 Evaluación interna (PACT)</p> <p>5 8 Evaluación intermedia (USAID)</p> <p>5 9 Evaluación final (USAID)</p>	<ul style="list-style-type: none"> • 1 Sistema financiero funcionando • 1 Sistema administrativo funcionando • 4 Documentos • 12 Documentos Reuniones periódicas Actividades y reuniones periódicas • 1 Documento • 1 Documento 1 Documento 	<ul style="list-style-type: none"> • Sistema de Monitoreo del PMU • Sistema de Monitoreo del PMU • Sistema de Monitoreo del PMU • Sistema de Monitoreo del PMU • Sistema de Monitoreo del PMU • Sistema de Monitoreo del PMU • Sistema de Monitoreo del PMU • Sistema de Monitoreo del PMU Sistema de Monitoreo del PMU 	

MARCO LOGICO

RESUMEN NARRATIVO	INDICADORES VERIFICABLES OBJETIVAMENTE	MEDIOS DE VERIFICACION	SUPUESTOS IMPORTANTES
6 1 Implementación y funcionamiento del sistema de monitoreo	• Reportes		
6 2 Línea de base de 11 donaciones	• Reportes		
6 3 Línea de base de 16 donaciones	• Reportes		
6 4 Línea de base de desarrollo institucional (30 ONG s)	• Reportes		
6 5 Línea de base de desarrollo institucional (30 ONG s)	Reportes		
6 6 Monitoreo de donaciones	Reportes		
6 7 Monitoreo del PMU	Reportes		

1

RESULTS FRAMEWORK

CONTAINED IN

1997 WORK PLAN

Nivel de la Misión**Fin = Desarrollo Sostenible -Cobertura Amplia**OS₁ Incremento del ingreso de los pobres incrementan¹

a) Gastos per capita

b) % Pobres v en extrema pobreza

???

c) Malnutricion cronica

RI₁ Alcance Organizacional Fortalecido¹

1) Eficiencia

2) Eficacia

3) Sistema de gestion en funcionamiento

Pact lo lleva a cabo**Nivel del Proyecto****1 Eficiencia de la ONG**

1 Costos Indirectos

1. Incremento en la economia de escala**2. La eficiencia como meta de la Gestion****2 Eficacia de la ONG²**

1 Cumplimiento de los planes y objetivos

2 Replicabilidad

3 Cobertura Poblacional

4 Cobertura Geografica

5 Financiamiento

3 Meta de la Gestion**4 Sistemas impresionan a los donantes****5 Capacidad tecnica impresionan "****6 ONGs aplican sistemas****3 Sistema de Gestion en Funcionamiento**

1 Planeamiento

2 Informacion

3 Contabilidad

4 Conocimientos

RI₁ impacta directamente al OS₁ v a la vez impacta resultados claves de SO₁, SO₃, y SO₄

Este Resultado del Proyecto es el resultado de haber puesto en practica los sistemas de gestion al la vez este Resultado impacta el Resultado denominado Eficiencia

EFICACIA (Resultado al nivel de Proyecto)

Area 1 Subdonaciones

ONGs con subdonaciones mejoran sus capacidades tecnicas y ejecutan proyectos con mayor eficacia y eficiencia en areas de pobreza critica del pais

Logro de Planes y objetivos 1100 a 1400

Area 2 Cobertura y Diversificacion Financiera

ONGs han incrementado y diversificado sus fuentes de financiamiento y han ampliado su cobertura geografica y poblacional

Cobertura Pob 2100
Cobertura Geo 2100
Financiamiento 2200 - 2500
Replicabilidad

Sistema de Gestion en Funcionamiento (Result al Nivel de Proyecto)

Area 3 Capacitacion

ONGs cuentan con sistemas de gestion funcionando

Planeamiento 3100 3200
Informacion 3100 (5600)
Contabilidad 3100 3300

Area 4 Acceso a Mayor Informacion

(ONGs tienen acceso a informacion especializada en agricultura microempresa salud

Concimientos 1000-1300 3500 3700
Replicabilidad 4100 - 4300 (5700)

Area 5 Administracion PMU

La Unidad de Manejo del Proyecto cumple con los terminos del Acuerdo con USAID

Los indicadores para estos Resultados fueron reportado en Indicadores para el Fortalecimiento Organizacional Proyecto de Apoyo ONGs Pact-Peru Sept 1996)

El sistema de enumeracion de las Actividades es el sistema que se usa en el borrador de actividades actual. Una vez aceptada el Esquema para Resultados los numeros van a ser cambiados usando los areas como base

II INDICADORES DE RESULTADOS Y METODOLOGIA

Esta Sección presenta los indicadores y metodología de recojo de información para medir los resultados, el impacto y mostrar el progreso del proyecto de Apoyo a ONGs cuyo propósito es el fortalecimiento organizacional de ONGs de acuerdo al Plan Estratégico de USAID y en función del Objetivo Intermedio #4 "*Strengthened Organizational Outreach*" del objetivo estratégico OS2 "Incremento de los Ingresos de la Población Pobre". Los indicadores son 3¹

- 1 Sistema de Gestión en funcionamiento
- 2 Eficacia Organizacional
- 3 Eficiencia Organizacional

En la primera parte del documento se presenta la definición de los indicadores, sus unidades de medida y la formulación de los IVOs, y en la segunda, la metodología para el recojo de la información y su procesamiento.

A DEFINICION DE INDICADORES, UNIDADES DE MEDIDA e IVOs

INDICADOR #1 SISTEMA DE GESTION EN FUNCIONAMIENTO DE LAS ONGs

El indicador Sistema de Gestión en funcionamiento mide la capacidad desarrollada en las ONGs para formular y aplicar adecuadamente los sub-sistemas de PLANEAMIENTO, INFORMACION, CONTABILIDAD y FINANCIAMIENTO en sus organizaciones. Este indicador se subdivide en cuatro sub-indicadores correspondientes a cada sub-sistema.

1 PLANEAMIENTO

DEFINICION

El sub-sistema de PLANEAMIENTO comprende 5 variables a tomar en cuenta:

1) PLANEAMIENTO ESTRATEGICO

Se entiende por planificación estratégica la capacidad para formular, aplicar y revisar un Plan Estratégico en la conducción de la ONG. Verificamos la aplicación de un Plan Estratégico en la medida que los proyectos que se diseñan y ejecutan posteriormente son consistentes con los objetivos estratégicos definidos.

¹ Los indicadores propuestos difieren en parte de los indicadores contemplados en el marco lógico del proyecto presentados en el Plan Global en 1994. Las modificaciones se han realizado en respuesta a la recomendación de USAID y el respectivo Plan Estratégico 1997-2001.

3 PARTICIPACION EN PLANES CONCERTADOS DE DESARROLLO

Se entiende por Participacion en Planes Concertados de Desarrollo la participacion de las ONGs concertada con la poblacion en el diseño de Planes de Desarrollo para ambitos locales que les da la posibilidad de diseñar proyectos en funcion a las necesidades de la poblacion

3.1 USO DEL MARCO LOGICO

Se entiende por Uso del Marco Logico la utilizacion de esta metodologia en el diseño de los proyectos de las ONGs. El uso de esta metodologia facilita el diseño de proyectos con el principio de causalidad. Asi mismo permite diseñar un sistema de monitoreo y evaluacion eficaz

4) PLANIFICACION OPERATIVA

Mide la capacidad para realizar una adecuada programacion de ejecucion de actividades, asignacion de recursos humanos y financieros. Esta planificacion facilita una ejecucion correcta en el tiempo de las actividades y una administracion racional de los recursos humanos y financieros. Se refiere tanto a la planificacion a nivel institucional como a nivel de proyectos

5) COORDINACION PROGRAMATICA FINANCIERA

Mide el grado de enlace del area programatica con el area financiera para la elaboracion de los presupuestos. Se constata esta coordinacion en la medida que los contadores son integrados en el trabajo de planificacion

UNIDAD DE MEDIDA No. de ONGs

IVO 420 ONGs tienen un Sub-sistema de planificacion funcionando al final del proyecto

2 INFORMACION

DEFINICION

El sub-sistema de INFORMACION esta referido al PLAN DE MONITOREO Y EVALUACION formulado y en uso

Se entiende por PLAN DE MONITOREO Y EVALUACION un plan que permite recolectar datos de manera sistematica para conocer 5 tipo de variables

1) LINEA DE BASE DE LOS INDICADORES se refiere al valor inicial de los indicadores seleccionados para medir resultados e impacto en los proyectos

2) DESARROLLO DE LAS ACTIVIDADES PLANIFICADAS se refiere al monitoreo que se necesita hacer periodicamente para verificar el avance de las actividades planificadas

3) AVANCE DE LOS RESULTADOS ESPERADOS se refiere a la medicion periodica de los indicadores correspondientes a los resultados generalmente a medidos del proyecto o anualmente

4) IMPACTO ALCANZADO DE LOS PROYECTOS se refiere a la medición final de los indicadores del propósito que nos muestran si hubo o no impacto

5) SEGUIMIENTO DE LAS ACTIVIDADES Y EVALUACION A NIVEL INSTITUCIONAL se refiere al monitoreo de las actividades planificadas que involucren a toda la institución y no a un proyecto en particular, y a la evaluación del logro de objetivos también a nivel institucional

UNIDAD DE MEDIDA No. de ONGs

I.V.O. 420 ONGs tienen un Sub-sistema de información funcionando al final del proyecto

3 CONTABILIDAD

DEFINICION

Dentro del sub-sistema de contabilidad consideramos 2 variables SISTEMA DE CONTABILIDAD confiable y transparente y uso de mecanismos de CONTROL INTERNO

1) SISTEMA DE CONTABILIDAD

La Contabilidad de cada ONG debe permitir realizar un manejo contable institucional confiable y transparente, en el cual se distingan gastos directos, gastos indirectos por fuente y por proyecto. El uso del SISCONG o de algún otro software similar permiten este tipo de manejo

2) CONTROL INTERNO

Mide la implantación y funcionamiento de mecanismos de Control Interno para fiscalizar la utilización de fondos y el destino de los bienes y servicios

UNIDAD DE MEDIDA No. de ONGs

I.V.O. 420 ONGs tienen un Sub-sistema de contabilidad funcionando al final del proyecto

4 FINANCIAMIENTO

DEFINICION

En este sub-sistema distinguimos dos variables DIVERSIFICACION DE FUENTES de financiamiento y LA MAGNITUD DE FONDOS que administra la ONG

1) DIVERSIFICACION DE FUENTES

Nuevas fuentes de financiamiento para los proyectos de las ONGs significa menos dependencia de una determinada agencia de cooperación y por lo tanto

fortaleza organizacional ante eventuales cambios de políticas de estas fuentes
donantes. Se entiende que las ONGs por lo menos deben acceder a una nueva fuente
de financiamiento para lograr diversificación

2) INCREMENTO EN LA MAGNITUD DE LOS FONDOS

El incremento en la magnitud de los fondos conseguidos por las ONGs para la
ejecución de los proyectos es un segundo elemento de financiamiento a considerar.
Concebimos que por lo menos las ONGs deben incrementar un 30% los fondos que
manejan

UNIDAD DE MEDIDA No. de ONGs

IVO 420 ONGs tienen un Sub-sistema de financiamiento en funcionamiento al final
del proyecto

5 CONOCIMIENTO DE LOS MEJORES PRACTICAS

DEFINICION

Hay dos variables para definir este sub-sistema: 1) La recepción de
sistematizaciones de proyectos o experiencias exitosas de ONGs y 2) participación en
las pasantías donde miembros de las ONGs revisan estas experiencias exitosas en el
campo

1) RECEPCION DE ESTUDIOS DE CASOS

Las ONGs tienen la oportunidad de conocer las experiencias de otras ONGs o
otras organizaciones

2) PARTICIPACION EN PASANTIAS O FOROS

Personal de las ONGs por medio de visitas al campo o la participación en
foros específicos conocen y comprenden proyectos y prácticas exitosas

UNIDAD DE MEDIDA Numero de ONGs

IVO 420 ONGs han recibido 5 sistematizaciones y han visto por lo menos, una
experiencia exitosa en el campo

INDICADOR #2 EFICACIA ORGANIZACIONAL

Se entiende por Eficacia Organizacional el grado de cumplimiento de los objetivos sociales materiales definidos por la organización. Se mide en relación a cuatro sub-sistemas: 1) CUMPLIMIENTO DE PLANES Y OBJETIVOS 2) REPLICABILIDAD 3) COBERTURA POBLACIONAL y 4) COBERTURA GEOGRAFICA. A cada sub-sistema le corresponde un sub-indicador.

1 CUMPLIMIENTO DE PLANES Y OBJETIVOS

DEFINICION

Abarca el nivel de ejecución de las actividades, la obtención de resultados y el impacto alcanzado en la población objetivo, respecto de lo considerado en los planes operativos y en los IVOS de los proyectos.

UNIDAD DE MEDIDA Porcentaje promedio

IVO El IVO es el aumento de X% a Y% en el porcentaje promedio del cumplimiento de los planes y objetivos de cada ONG al término de la intervención de cada una de ellas en el proyecto.

2 REPLICABILIDAD

DEFINICION

Se refiere al número de veces de efectiva reproducción y/o adaptación de determinados modelos exitosos de propuestas de desarrollo en otras intervenciones por la misma u otras ONGs. Se entiende por modelo de propuestas de desarrollo al diseño mismo de los proyectos, ya que estos se diseñan en base a hipótesis de intervención de causa-efecto. Entre las réplicas que mediremos se encuentra el modelo de Planificación Local Concertada, los sistemas de Crédito Rural, etc.

UNIDAD DE MEDIDA No. de réplicas y/o adaptaciones por ONGs y/o comunidades o distritos.

IVO El IVO es 50 réplicas y/o adaptaciones de modelos exitosos de propuestas de desarrollo al final del proyecto.

3 COBERTURA POBLACIONAL

DEFINICION

Se refiere al incremento de la población beneficiaria en las intervenciones de las ONGs.

UNIDAD DE MEDIDA No. de familias

IVO El IVO es un incremento promedio de 30% respecto al año base en el número de familias atendidas al final del proyecto. Este IVO luego se precisará en valores absolutos.

4 COBERTURA GEOGRAFICA

DEFINICION

Se refiere a la intervención de las ONGs en nuevos ámbitos geográficos (comunidades v/o distritos) pertenecientes a distritos en condiciones de pobreza crítica.

UNIDAD DE MEDIDA No. de nuevas comunidades atendidas v/o distritos.

IVO El IVO es 200 nuevas comunidades v/o distritos son atendidos por las ONGs al final del proyecto.

INDICADOR #3 EFICIENCIA ORGANIZACIONAL

El indicador de eficiencia organizacional mide el uso racional de los recursos disponibles fundamentalmente el uso de los recursos financieros y humanos en la obtención de resultados. La valorización monetaria de los resultados de la intervención de una ONG es difícil realizarla por lo tanto la eficiencia organizacional la mediremos indirectamente en relación a los ingresos totales. Para medir Eficiencia Organizacional distinguimos 3 subíndices: 1) GASTOS DIRECTOS, 2) GASTOS INDIRECTOS y 3) GESTION DE RECURSOS FINANCIEROS.

1 EFICIENCIA DE GASTOS DIRECTOS

DEFINICION

Mide la evolución de la relación de gastos directos² sobre los ingresos recibidos para ser ejecutados durante el año en la institución.

UNIDAD DE MEDIDA El porcentaje promedio.

IVO El IVO es un aumento de X% a Y% en el porcentaje promedio de la relación porcentual gastos directos / ingresos recibidos para ser ejecutados durante el año al final del proyecto. Los valores se precisarán cuando se cuente con la línea de base de este indicador.

Se entiende por gastos directos aquellos que corresponden a gastos realizados directamente en actividades de los proyectos como son salarios de personal técnico, gastos de viajes, materiales, teléfono, fotocopias, gastos en equipos para el trabajo en los proyectos, las rentas que se refieran a alquileres directamente vinculados con cada proyecto, etc.

2 EFICIENCIA DE GASTOS INDIRECTOS

DEFINICION

Mide la evolucion de la relacion de gastos indirectos' e ingresos recibidos para ser ejecutados durante el año en la isntitucion

UNIDAD DE MEDIDA El porcentaje promedio

IVO El IVO es un decremento de X% a Y% en la relacion porcentual promedio de gastos indirectos / ingresos recibidos para ser ejecutados durante el año al final del proyecto

3 EFICIENCIA DE GESTION DE RECURSOS FINANCIEROS

DEFINICION

Mide la relacion porcentual de gastos indirectos entre gastos directos

UNIDAD DE MEDIDA El porcentaje promedio

IVO El IVO es un decremento de X% a Y% en la relacion porcentual promedio gastos indirectos / gastos directos al final del proyecto

Se entiende como gastos indirectos aquellos que se refieren a actividades netamente institucionales y que no pueden ser imputados a ningun proyecto en particular. Algunos ejemplos son los gastos en salarios del personal administrativo, las rentas de alquileres del local central de la ONG, equipos que brindan servicios centrales y todos los gastos en materiales, telefono, fotocopias que no puedan ser imputados a la ejecucion directa de ningun proyecto.

SCOPE OF WORK

I **BACKGROUND** On September 30 1992, the US Agency for International Development (USAID) entered into a Cooperative Agreement 527-0353-A-00-2297-00 with the non-governmental organization consortium "Private Agencies Collaborating Together" (PACT) to implement the "Project for Support of Non-Governmental Organizations" (PVO Support Project) hereinafter referred to as the Project, for an amount of US\$13,600,000 over a period of six years (September 30, 1992 - September 29, 1998)

The purpose of the Project is to promote the social and economic development of the poorest population, with the assistance of NGOs working in the key sectors of agriculture, micro-enterprises and health

The initial design of the Project had the following purposes i) increase the amount of investment and the impact of the programs being implemented by NGOs in the agriculture, micro-enterprises and health sectors, and ii) strengthen the institutional capacity of the NGOs so they work more effectively with community organizations in providing services

In order to achieve the said purposes, the Project includes activities in institutional strengthening and subgrants to the participating NGOs for implementing projects in the agriculture, micro-enterprise and health sectors

In addition, the Project initially considered participation in the PL 480 Title II food assistance program of USAID/Peru, implemented by CARE, CARITAS, PRISMA and ADRA/OFASA in order to improve the information system and monitoring of the food assistance program

The Cooperative Agreement stipulated that at the end of the first year a formative evaluation shall be made This was carried out in May 1994, resulting in an amendment to the Agreement (Amendment 6) The amendment withdrew PACT from participation in the food assistance program, and focused the Project exclusively towards the institutional strengthening of NGOs, in which the subgrant program would function as a component of the strengthening process

In addition the Amendment stated the need for PACT to formulate a strategic overall plan for the Project in order to have properly defined lines of action along which the annual plans were to be directed as well as to carry out a medium term evaluation of the Project which is proposed in these Terms of Reference

In the first half of 1994 the Project provided subgrants of about US\$3.3 million to a group of NGOs for the implementation of 14 community development projects in health and micro enterprise fundamentally in the Departments of Cajamarca Ayacucho Cusco Arequipa and Huancavelica and to two consortia of NGOs from Ayacucho and Cajamarca respectively for the implementation of two projects for institutional strengthening of their members (See Exhibit 1)

2
In 1994 the Project Management Unit (PMU) submitted the overall strategic plan for the Project to USAID (see the logical framework in Exhibit 2), in which the subgrant and institutional strengthening programs were emphasized, and on the basis of which the Project is currently being implemented. Nevertheless, USAID budget problems during 1996 prevented the provision of further subgrants.

In USAID's Strategic Plan for the period 1997-2001, five Strategic Objectives have been presented, which include Strategic Objective 2, 'Increased Incomes of the Poor'. To achieve this Strategic Objective an Intermediate Result 4 (IR#4), 'Strengthened Organizational Outreach', was included to improve efficiency and effectiveness of the organizations in providing development services for the target population (poor and extremely poor).

2 OBJECTIVE OF THE EVALUATION The objective of the evaluation is to a) review the performance of the project in terms of institutional strengthening of the participating NGOs, b) determine the factors contributing to the performance or lack of it, and c) make program and policy recommendations for the future.

3 METHODOLOGY Project implementation will be reviewed and evaluated with regard to the overall strategic plan, the logical framework on which it is based, and its coherence with the Mission Strategic Objective # 2.

The gathering of data must enable an objective appraisal of results which have been achieved from the activities carried out (both foreseen and unforeseen). The data will be obtained through direct observation and from secondary sources, and interviews with officials of the participating NGOs as well as the benefiting population of the subgrant program will also be used, as will information from key personnel such as officials of cooperating agencies, the government field staff of NGOs, among others.

In the process of evaluating the subgrant component, interviews will consist of a representative sample from NGOs and the target population in the case of development projects in order to arrive at the findings.

In the process of evaluating the institutional strengthening component, the unit of analysis shall be the NGO and impact shall be determined in terms of the improvement of its efficiency and effectiveness. 'Efficiency' is defined as the cost of administration. 'Effectiveness' is defined as the success in meeting goals, objectives, and target groups.

In the absence of systematic base line information, samples may be used from NGOs and communities with similar characteristics to those evaluated but which have not participated in the Project. This will allow the establishment of differences with respect to participating or non-participating NGOs and populations.

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4 DESCRIPTION AND SCOPE OF THE SERVICE

The Consultants shall carry out the following responsibilities

- 1 Review and analyze the feasibility of Project design
 - 1 1 Purpose, objectives results and activities
 - 1 2 Assumptions
 - 1 3 The compatibility of the Project with SO2 and the IR#4
- 2 Review the effectiveness of the Project's implementation
 - 2 1 Institutional strengthening
 - 2 1 1 Design and contents of the training modules
 - 2 1 2 Determination of whether the design of the strengthening program responds to the needs and demands of the "market" in which the NGOs are operating
 - 2 1 3 Form and methods used for training NGO staff
 - 2 1 4 Technical assistance and follow-up with trained NGOs
 - 2 1 5 Reasonableness of the cost of program interventions
 - 2 1 6 Sustainability of the program for institutional strengthening upon the completion of the Project *Possibility of developing similar* institutional strengthening programs
 - 2 2 Subgrant Program
 - 2 2 1 The agricultural health and micro-enterprise activities implemented by the subgrants (16) Review the design of the projects and their implementation impact attained and reasonableness of costs At least five development projects will be visited, two in Cajamarca, two in Ayacucho (apart from the two institutional strengthening projects of the CIPDER and CIDRA consortia) and one in Cusco or Arequipa
 - 2 2 2 The projects for institutional strengthening implemented with subgrants by the NGO consortia CIPDER and CIDRA in Cajamarca and Ayacucho respectively shall be visited to directly ascertain their results The design, implementation impact sustainability and possibilities of replicating similar projects shall be analyzed as well as the relevance and impact of including in the program for institutional strengthening the purchase of equipment and other similar expenses
- 3 Appraise and evaluate the organization and administration of the PMU

- 4 Review the overall cost of the Project in relation to the results and impact obtained to date and the likely results and effects to be obtained by the end of Project. Analyze the sustainability of the Project and cost-effectiveness in comparison with other alternatives

- 5 The review shall in addition consider and answer the following questions

5.1 Coherence of the Project

Are all the results outlined necessary to fulfill with the Project's objectives? Are the results plus the assumptions producing necessary and adequate conditions to achieve the Project's objectives?

- Are the results being clearly expressed? Is the responsibility for the results defined?
 - Are the activities both necessary and sufficient (including the assumptions) to obtain the results? Do the activities define the strategy being used?
 - Is the relationship between inputs and activities reasonable? Are inputs being used efficiently? Are activities useful for the achievement of results?
 - Are the indicators at the objective level defined with respect to quantity, quality and time?
 - What development hypotheses can be used to define the Project?
- Are the hypotheses implicit in the current design of the Project realistic?
- Is the current design realistic, reasonably flexible, clearly feasible? Does it include adequate human, material and financial resources?

5.2 Information and Monitoring System

Is the information system adequate for managing the Project?

Is there control of inputs and measurement of results? Does the information system enable a follow up of the costs of activities in relation to the results?

Are the methods used to obtain the base line information for the NGOs in the institutional strengthening program and for the target population in the

subgrants program reasonable in terms of costs timing and practicability? Does it measure the knowledge, attitude and practices of the NGOs?

Does the information system differentiate between data collection and reporting? Does it analyze the findings, present conclusions and recommendations analyze unexpected results, explain reasons for delays in results and propose corrective measures? Check USAID reports in particular

Is the PMU using the information system to provide feedback, or correct the Project coverage?

5.3 Implementation of the Project Subgrant and institutional strengthening programs

- Is there a clear theoretical framework on which the strategy and modus operandi of the Project is based? Is there a clear future outlook into the state of the NGOs after the intervention of the Project? Is there a clear definition of the role to be played by the NGOs in national development and what their functions must be?

Has the Project had positive and relevant results? Which ones? Up to what point has compliance with the specifications been attained? Why or why not?

Are the results reasonable in terms of costs?

To what degree have the forecasts been achieved and what is the outlook for the whole Project? What other achievements have been made?

Is any diagnosis or framework being used to identify the requirements of the most important sources of financial support for designing the institutional strengthening program? Are the results useful in determining the working strategy of the Project?

What activities are relevant to the purposes of the Project?

Has the subgrants Program achieved positive results? Is the cost benefit reasonable both in financial cost and the level of effort expended by the PMU?

Are there procedures for the internal evaluation of results costs and strategies?

Have the obstacles which hinder progress towards the objectives been determined?

If there are any unexpected results what are they and what caused them?

Are there any proposals or plans for the future sustainability of the Project, in the sense of transferring the capacity to offer training services and technical assistance to the NGOs for institutional strengthening, to any national entity, such as may be the case of the consortia CIPDER and CIDRA?

What is the perception of the beneficiary NGOs, with respect to the most important sources of assistance in the country, and the central government entity which handles NGOs (The Secretariat of Technical Cooperation of the Ministry of the Presidency) Has the Project enhanced their capabilities with respect to these?

5 4 Project organization and administration

Does the Project have an appropriate organization and personnel for its implementation?

What institutional strengths and weaknesses does the PMU have?

5 5 Coordination with USAID

Is there sufficient flow of communication and coordination between the PMU and USAID with respect to decision making?

How is the relationship between the PMU and USAID characterized or defined operationally? Are the mechanisms for coordination adequate?

6 Appraise the 1997 Annual Work Plan in the context of institutional strengthening and outreach objectives

7 Formulate conclusions and recommendations as detailed as possible. Recommendations should include explanations on the methods to be used whose responsibility it will be and when it should be implemented. Recommendations should be designed to

- i) Make recommendations for adjustments to the project in such a way that it is in agreement with the SO2 and contributes to the IR#4 in a reasonably cost effective manner

- ii) Define the results necessary to attain the goals of the Project
- iii) Define which activities should continue and which should be modified or eliminated to ensure the attainment of the results defined in paragraph ii) above

5 LEVEL OF EFFORT

For the implementation of this service, the Consultant shall provide the following

- 1 A professional for 30 working days as Chief of Party, 25 days will be spent in Peru and five days at the Consultant's headquarters preparing the final report

The Chief of party must be a social scientist preferably an Economist with at least a Master's degree (or higher) in development, have at least 10 years experience in the field at least five years experience in the evaluation of USAID projects, at least five years proven experience working with NGO organizational strengthening and community development projects in Latin American countries (preferably in Andean countries), and must speak and write English and Spanish

- 2 An expert in the field of development or administration for 25 working days to assist the Chief of Party

The expert must have at least 10 years experience, at least three years experience working with NGOs and community development projects in Latin American Countries (preferably Andean countries) and be fluent in both written and spoken Spanish and English

- 3 The Consultant will be responsible for all typing, translation, reproduction, travel and any other needs of the evaluation service. The Evaluation Officer will undertake all necessary actions for the compliance of provisions in the Scope of Service section, testing the indices testing assumptions collecting information by way of observations and interviews analyzing information and presenting conclusions and recommendations

In this regard prior to commencement the Consultant shall present a proposed workplan schedule of activities which will be useful for arranging and setting up interviews with the various USAID and PMU officials

6 REPORTS

As a result of its work and upon completion of the evaluation the Consultant will present to USAID an original and eight copies of each version of the Evaluation Report in English and Spanish. The Report shall contain an executive summary consisting of no more than four pages

and in separate chapters the findings specific answers to questions of interest, conclusions and recommendations. The Consultant shall also present the evaluation summary information in the form 'USAID EVALUATION SUMMARY'. This summary shall also be presented in both languages and on diskette according to USAID format processed on WordPerfect 5.2

The Consultants shall present to USAID and the PACT PMU

- 1) The final work plan four days after to the commencement of the service, counted as from the date of arrival at Lima
- 2) A preliminary briefing on the results of the evaluation to Mission Management and the Strategic Objective Team, and a version of a draft final report, in Spanish, on the 25th day, upon which USAID and the PMU will present comments and observations
- 3) The draft of the final report which shall be delivered to USAID/Peru within three days after receipt by the Consultant of the comments and observations made by USAID. In the same manner, USAID and the PMU will present comments and observations on this report
- 4) The Final Report shall be presented within two days after the Consultant's receipt of the observations of USAID

7 DOCUMENTS TO BE SUBMITTED

Upon signing of the contract, USAID shall supply the Consultant with the following

- Project Description
PVO Support's Cooperation Agreement
'Shake Down' Evaluation Report
- The Project's Overall Plan
Annual Plans for 1993, 1994, 1995 and 1996
Annual Progress Reports
Subgrant Agreements entered into with NGOs and logical framework of development projects
Document of the Strategic Objective # 2 of the Strategic Plan for 1997-2001 of USAID/Peru along with proposed indices for the PVO Support

The remaining available information will be supplied to the Consultant by the PMU, the Project's Coordination Office at USAID (ORD FFD) and upon arrival in Peru by the beneficiary NGOs as it relates to their needs

8 SELECTION PROCESS

For the selection process bidders must submit technical and financial proposal consisting of

- Understanding of the service required, comments and contributions
- Proposed methodology, including a proposed schedule
- Curricula of evaluation officers proposed
- Details of the Contractors's experience and capacity to provide the service of project evaluation in the area of institutional strengthening and development in Latin America
- Financial proposal

9 SCHEDULE

Day	ACTIVITY
1	Arrival in Lima
2	Interviews with USAID and PACT officials
4	Delivery of Final Work Plan
6	Commencement of Consultants' journeys, up to 12 days at least per Consultant visiting projects
25	Meetings with officials from USAID and PMU for the presentation of Preliminary Report (prior to the Draft of Final Report) Consultants return to their head office
36	Delivery of Draft of Final Report to USAID/Peru and PMU
46	Delivery of Final Report to USAID/Peru

NOTE Business days include Saturdays

PERU - EVALUATION OF PACT'S PVO SUPPORT PROJECT

Work Plan

June 1997

Mon , 23

8 00-8 30am Arrive USAID/Peru office

8 30-11 00am Briefing at Embassy

11 00-1 00pm Meet with USAID reps Robert Wilson, Chief, Food Division,
Miriam Choy & Jaime Correa, Project & Program
Development Office, George Baldino, Stan Stalla, Juan Robles,
PVO Support Coordinator

2 30-5 00pm Meet with PACT Project Director Kris Merschrod & staff

Tues , 24

8 30-9 00am Courtesy visit to USAID/P Director Donald Boyd & Deputy Director
Joseph Lombardo, accompanied by Robert Wilson and Juan Robles

Meet with K Merschrod re field visit schedule

Interview with George Baldino

Wed , 25

Document review, finalize Work Plan

2 00pm Present final Work Plan to Juan Robles

2 30pm Meet with Jeff Borns

Finalize arrangements for field visits

Thurs , 26

Finalize data collection instruments

Fri , 27

9 00am Ed & Joan depart Lima via Aerocontinente #1073

9 35am Arrive Ayacucho

10 30am Group interview CIDPA & participating NGOs

12 00n Lunch

2 00pm Interview CIDRA Director & Coordinator (Institutional Strengthening consortium)

4 00pm CEAA-INTI, Aristion Tinoco, Juan Yauri & Indolesio Quispe (sub-grant for Ag Exten & Credit, ECFAM baseline, SISCONG)

6 00pm Group interview with Red de Contadores de Ayacucho

Sat, 28

8 00am/ Trip to Iguain & Huanta - TADEPA Eliz Leon,
7 00pm Florencio Hinojosa, Eusebio Caycho, Severo Tineo & PPAL facilitator (sub-grant for ag exten & credit), Mayors (PPAL)

Sun, 29 Rest

Mon, 30/ All day - interviews with various participating NGOs
Tues, 1 Jul

Chiripaq = Tarcila Rivera (sub-grant from Promoviendo)

CEDAP = Carlos Alviar & Sr Carrasco (member of CIDRA, participated in National NGO Conf)

PAIDE = Elva Poso

Vecinos = Andres Solari & Yacamo Vizcarreta (sub-grant, member of CIDRA, Capac Basica, PPAL, ECFAM, National NGO Conf)

IER = Carlos Loiza, Manuel Anaya (sub-grant cancelled in 3rd month, Capac Basica, SISCONG, National NGO Conf)

IDESI = Jorge Coronel

CIPPD = Hugo Vivanco

Wed, 2

7 00am Ed & Joan depart Ayacucho via Aerocontinente #1072
7 35am Arrive Lima

Office work & prepare for trip to Cajamarca

Thurs, 3 ~~to 3CA~~ ~~Harry Wong~~
~~Office work & prepare for trip to Cajamarca~~
~~1 pm writers' Report~~

Fri, 4 ~~1 30 pm for tomorrow~~

7 00am Ed & Joan depart Lima via Aerocondor #721
8 30am Arrive Cajamarca

9 00am Group interview with CIPDER & participating NGOs (Institutional Streng consortium, PPAL, coordinating Regional Feria for District Plans)

12 00n Lunch

1 00pm Joan - Interview with CIPDER Director & Coordinator

1 00pm Ed - Interaction in Health = Hugo de la Cruz & Alan Kok (PPAL partners)

3 00pm

3 00pm

5 00pm Interview with Olinda Guevarra, Pres , & Ulises Linares, newsletter editor of the Red de Contadores de Cajamarca

Sat , 5

8 00am Ed - Trip to San Bernadino, CEDEPAS sub-grant = Federico Tenorio, Mayor (all day) of San Bernadino (District Plan), members of FONDER (credit strategy)

Joan - Trip to La Encañada y Namora, ASPADERUC = Pablo Sancgez & Mario Caceres (sub-grant for ag exten , FONDER member, ECFAM, SISCONG)

Sun , 6 (Joan remains in Cajamarca)

9 00am Ed departs Cajamarca via Aerocondor #722

10 30am Ed arrives Lima

2 20pm Ed departs Lima Aeroperu #493

5 00pm Ed arrives Arequipa

Mon , 7

Joan in Cajamarca = Rondas Campesinas = Segunda Castejon & Melquiaries Marin (sub-grant from Promoviendo, credit & ag exten)

Asociacion Mujer y Familia = Cecilia Barrantes (CIPDER member & training)

Raiz = Jose Armas (CIPDER member)

IDEAS

FONCODES = Regional Director

Ed in Arequipa = Trip to Chivai Valle del Colca (overnight), CAPRODA = Rene Apaza (sub-grant for credit)

Tues , 8

9 00am Joan departs Cajamarca via Aerocondor #722

10 30am Joan arrives Lima

In Arequipa Ed visits NGO sub-grantee (CAPRODA)

Wed , 9
12 00n Ed - returns to Arequipa, afternoon at CAPRODA

5 40pm Ed - departs Arequipa via Aeroperu #494
6 55pm Arrives Lima

Joan - interviews in Lima
INPET = Cesar Delgado (sub-grant & credit program)

Thurs , 10/
Fri , 11 Interviews in Lima

CRS (sub-grant)

COPEME (NGO consortium, micro-credit, SISCONG, pasantias)

ANC = Federico Arnillas

SECTI = Magdalena Fajardo or Dora Solari, Direc Nacional de ONGs

GTZ = Juan Carlos Gastaldi or Christian Buitre

Fondo Contravalor Peru/Canada
COSUDE = Coop Suiza = Karen Bruger or Marta Velasquez

CEMPRO = David Ribadeneira

Atinchek = Juan Arce or Rocio Lenao

Fondo Japonés = Edith Kwan

Fondo Comunidad Europea = Gonzalo Pajares & Jean Marie Abes

Sat , 12/
Tues , 15 Preparation of preliminary draft report

Wed , 16 Debriefing with USAID & PACT, presentation of preliminary report

Thurs , 17
8 15am Joan & Ed depart Lima for Miami via American #2110

MAJOR TOPICS FOR REVIEW

The evaluation team has designed its overall approach in accordance with the Scope of Work agreed upon in the present contract with MSI. The team's efforts will result in specific findings which, in turn, will be the basis for the conclusions reached and recommendations offered. Areas of inquiry will include:

- 1 Feasibility of the Project design as originally envisioned and as it has evolved
- 2 Effectiveness of the Project's implementation
 - a Institutional Strengthening
 - Training
 - Technical Assistance & follow-up
 - Cost of interventions
 - Sustainability
(interviews with the 2 consortia subgrantees)
 - b Subgrant Program
 - Project design, implementation, impact and cost
(interviews with 10 subgrantees)
- 3 Organization and administration of the PMU
- 4 Overall cost-effectiveness and sustainability
- 5 Specific questions
 - a Coherence of the Project
 - b Information and Monitoring System, analysis of baseline instruments
 - c Project implementation (subgrants and instit strength)
 - d Project organization and administration
 - e Coordination with USAID
- 6 Objectives of the 1997 Annual Work Plan (instit strength and outreach)

The team will pay particular attention to the following general topics:

- A The role of NGOs in national development
- B Differential effects in terms of the relative institutional strength, efficiency and effectiveness of the NGOs that have participated in the various Project approaches, including institutional strengthening grants, project subgrants, basic training, participatory planning at the local level, technical assistance & follow-up, SISCONG. If possible, measurement of impact in NGOs already strengthened in accordance with the indicators identified

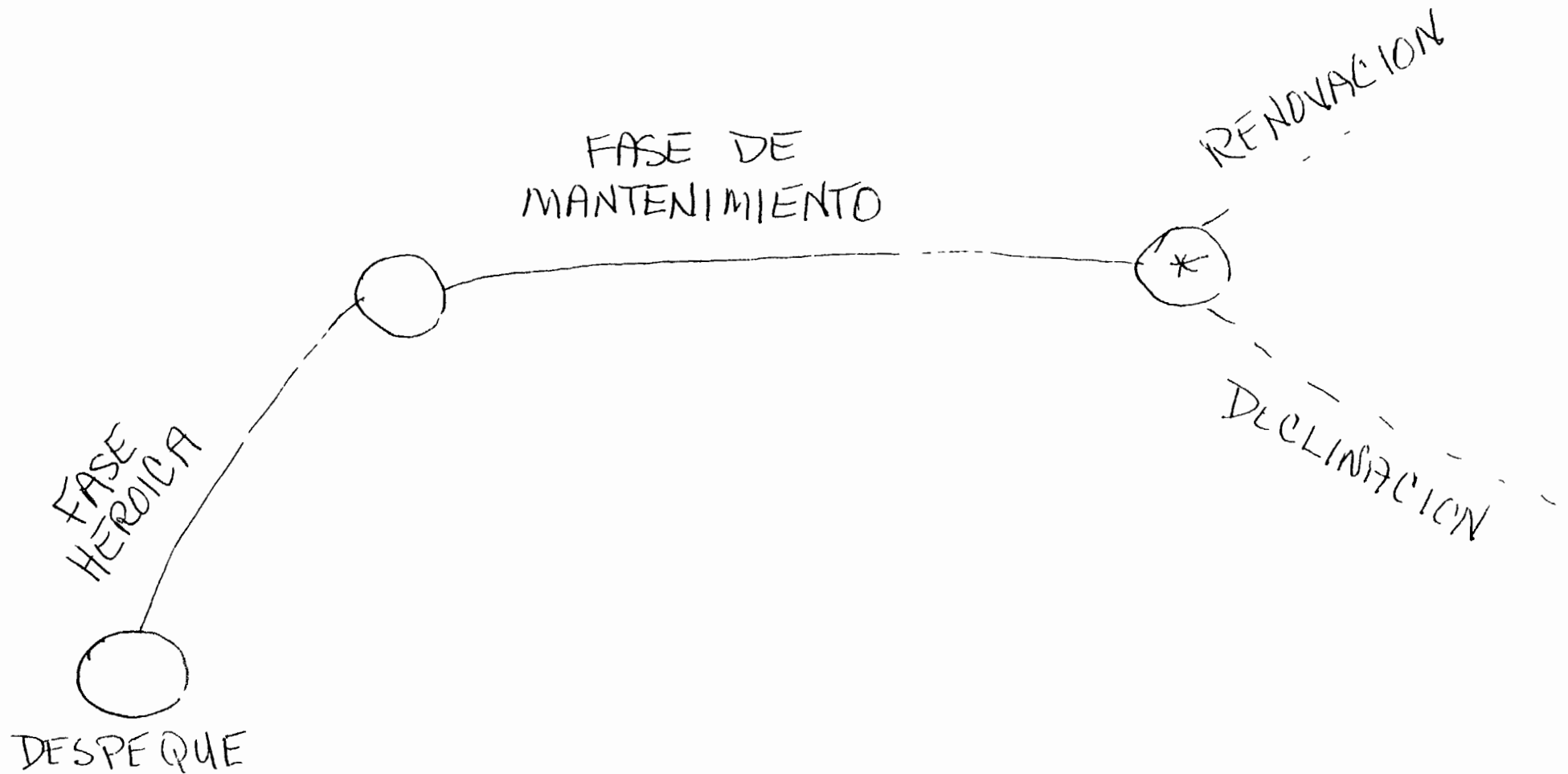
- C The use of subgrants
- D PMU management and administration
- E Alternative strategies employed by other donors

To gather the necessary data, the team has designed a methodology which includes the following elements for which the appropriate instruments will be used

- 1 Document review
- 2 Key informant interviews
- 3 Group interviews
- 4 Focus group interviews

June 25, 1997

CICLO VITAL DE UNA ORGAN.



* CONJUNTURA MAS CRITICA

**ANNEX D
DOCUMENTS CONSULTED**

1 USAID/PERU

Project Paper, PVO Support Project (No 527-0353) May 1 1992

Cooperative Agreement and Amendments 1-7 PVO Support Project September 30 1992-April 1996

Shakedown Evaluation Report, Peru PVO Support Project Donald Swanson May 1994

Peru Performance Monitoring System Development Draft Final Report Management Systems International (MSI) October 1996

Peru Performance Monitoring System Final Report MSI May 14 1997

Performance Indicator Matrix IR2 5 USAID/P/PMP 96

2 PACT PERU

Plan Global para el Periodo Octubre de 1994 a Setiembre de 1998 Proyecto de Apoyo a ONGs PACT PMU 6 de octubre de 1994

Marco Lógico del Proyecto de Apoyo a ONGs y Presupuesto por Actividades Octubre 1994

The Evolution of the Geographic Focus, PVO Support Project Activities 1993 Through 1997 With Regard to the GOP 419 Poverty Districts January 1997

Strategic Plan for Period August 1994 to September 1998 August 5, 1994

Second Annual Work Plan for Period October 1993 to September 1994 December 1993

Plan Operativo Año Fiscal 1994-1995 1995

Plan Operativo Año Fiscal 1995-1996 1996

Plan Operativo 1997 - Año Fiscal 1996-1997 Enero de 1997

First Annual Technical Progress Report for Period October 1992 to September 1993 December 1993

Annual Technical Progress Report, October 1994 to September 1995

Cuarto Informe Trimestral Año Fiscal 1995-1996

Informe Sobre Actividades Proyecto de Apoyo a ONGs, Sus Metas y Logros 1996 Febrero 20 de 1997

Segundo Informe Trimestral, Año Fiscal 1996-1997

Relacion de ONGs Participante de las Actividades del Proyecto de Apoyo a ONGs-PACT July 1997

Base Line Data on Sub-Grants ECFAM Database & Written Reports

Revision Financiera de Gastos Locales del Programa de Donacion USAID Periodo del 1 de Octubre 1992 al 30 Setiembre 1995

LOP Budget vs Expenses, Period October 1, 1992-September 30, 2000 May 1997

Propuesta de Capacitación Integral para ONGs, Taller de Gerencia Financiera, SISCONG Sistema de Contabilidad Institucional para ONGs, y Programa de Planificación Participativa en Ambitos Locales PACT/PMU brochures

Programa de Capacitación para ONGs que Trabajan en el Fortalecimiento de la Democracia en el País Programa e Informe Final

Programa de Capacitación Básica para ONGs Evaluación de los Cursos-Talleres Gerencia para el Desarrollo Institucional y Diseño y Evaluación de Proyectos (Documento Síntesis)

La Gestión de ONGs, Una Visión Primer módulo del Programa de Capacitación Básica

Evaluación de la Metodología de Planeamiento Estratégico, SER, Huaraz Sylvia Matos 26 de marzo de 1997

Evaluación del Diseño de Proyectos con Marco Lógico, CARITAS DIOCESANA, CARE, CEDER, CAPRODA, IDEMA, CIID Sylvia Matos Marcelo, Maria de la Luz Morgan March-July 1997

Módulo de Capacitación en Contabilidad, Administración y Comercialización para el Sector Rural Perfil de Proyecto

Documento de Trabajo No 1 Actividades para Optimizar el Área Administrativo Contable de las ONGs

Documento de Trabajo No 2 Software de Contabilidad para ONGs

Documento de Trabajo No 3 Programa de Capacitación Administrativo Contable

Documento de Trabajo No 4 Evaluación del Programa de Capacitación Administrativo Contable

Documento de Trabajo No 5 Lineamientos de Optimización de la Capacitación Administrativo Contable

Documento de Trabajo No 6 Taller de Gerencia Financiera y Control Interno para ONGs

Indicadores para el Seguimiento del Desarrollo Organizacional 9/12/96

Memoria Puno Taller de Gerencia Financiera y Control Interno para ONGs

Participantes a la Pasantia de Credito por Departamentos Lista

Pasantia de Intercambio de Experiencias de Credito a FONDECAP-Arequipa del 31 de octubre al 9 de noviembre de 1996 Programa

List of NGOs involved in Participatory Planning with Districts

Terminos de Referencia para Facilitadores Locales y El Proceso de Planificacion Participativa en Ambitos Locales Propuesta a MIPRE 9 de mayo de 1997

Términos de Referencia Segunda Medicion de "Economia de la Familia Campesina "

Memoria, I Curso Taller a Promotores de la Planificacion Participativa en Ambitos Locales

Briefing Paper for MSI Evaluation Team PVO Support Project June 1997

Timeline - PACT PVO Support Project July 1997

Strategies and Goals for the PVO Support Project Memo from PACT/PMU Director to MSI Evaluation Team July 10, 1997

3 PACT GRANTEES

Convenios de Donacion entre PACT y ASPADERUC, CADEP, CAPRODA, CEAA-INTI, CEDAS, CEDEPAS, CIDRA, CIPDER, COINCIDE, CRS, EDAC-CIED, IER-JMA, ITDG, PROMOVIENDO, TADEPA, Vecinos Perú April 1997

Informes de las Evaluaciones a Los Proyectos, Proyectos Ejecutados por ASPADERUC, CADEP, CAPRODA, CEAA-INTI, CEDAS, CEDEPAS, CIDRA, CIPDER, COINCIDE, CRS, EDAC-CIED, ITDG, PROMOVIENDO, TADEPA, Vecinos Peru January-June 1996

Conclusiones de la Evaluacion Intermedia Interna del Programa de Capacitacion PACT-CIDRA

Algunas Cifras del Proyecto PACT/CIDRA Junio de 1997

Misión del CIDRA, IX Taller del Diseño del Plan Estrategico del CIDRA Ayacucho 14-15 de enero de 1997

Esquema para el Plan Estratégico del CIDRA Enero 1997

Conferencia Departamental sobre Desarrollo Social en Ayacucho CIDRA

Instituciones Beneficiarias Proyecto PACT/CIDRA List of NGOs that participated in workshops held by CIDRA

Actividades de Fortalecimiento de la Sociedad Civil Plan de Accion por la Infancia en Ayacucho Eje Estrategico CIDRA

Taller de Planificacion Estrategica para el Desarrollo Rural CIDRA

Escuela de Capacitación para el Desarrollo Perfil CIDRA

Planeamiento Estrategico de CIPDER 1995

Auditoria de las Actividades del Proyecto PACT-CIPDER

El Especialista Boletin de la Red de Contadores de ONGs de Cajamarca No 5 y 6 Abril y junio de 1997

APRISABAC, Cajamarca Ira Feria Regional de Desarrollo Cajamarca Tríptico

ASPADERUC, Cajamarca Referencia Institucional y Triptico

Asociacion Mujer & Familia Cajamarca Planes de Desarrollo Comunal 1995-1997 para los Pueblos Jovenes Pachacutec, Jose Olaya y el Sector Pueblo Libre y Simon Bólvivar Moyopata, Santa Rosa y Triptico sobre la Central de Servicios Múltiples

CEDAP Vision de Ayacucho al Año 2005 Borrador para Plan Estrategico Junio 1997

CHIRAPAQ, Cajamarca Informe de Evaluacion Final Proyecto Fondo Rotatorio de Articulacion Productivo Comercial de Organizacion Rurales y Urbanas

FONDECAP, Arequipa Varios documentos Resumen Institucional, Estatutos, Metodologia, Sistema y Software de Credito, Resultados de la Encuesta de Campo, Sistematizacion El Crédito como Instrumento Financiero de Desarrollo y de Participacion - Una Experiencia en Arequipa, Construyendo un Sistema de Credito para el Peru

FONDER Cajamarca Fondo para el Desarrollo Regional Tríptico

HABITAT Arequipa Siglo XXI, Reseña Institucional Plan Estratégico

Rondas Campesinas, Cajamarca Cuadros No 14 y 15, Denuncias Realizadas por Mujeres en la Institucion, Cuadros 12 y 13, Estadisticas Denuncias Registradas Durante los Años de Funcionamiento de la Institucion 1986-1995

Vecinos Peru Tríptico

4 OTHER INSTITUTIONS

Normas Legales Sobre Cooperacion Tecnica Internacional 1992 Vol 1 Presidencia de la Republica Instituto Nacional de Planificacion 1 de abril de 1992

Regimen de Devolucion del IGV e IPM (SUNAT) y ***Constancia de Acogimiento*** (ENAPU o CORPAC) Formularios

Elementos de la Estrategia Focalizada de Lucha Contra la Pobreza Extrema 1996-2000 Diciembre de 1996 Ministerio de la Presidencia

ANC/COPEME Peru ***Territorio de Oportunidades para el Microcredito*** Grupo de Trabajo Credito y Desarrollo Diciembre 1996

CEMPRO "Escuela de Proyectos ***Productividad Total Teoria Basica y Metodos de Medicion Fuentes de Financiamiento para Proyectos de Desarrollo Local y Gestion Municipal*** (Manuales), Triptico sobre "Cooperacion Internacional Cursos y Manuales " folleto sobre "Diploma de Especialista Gestion de Cooperacion Internacional "

CEPES ***Cómo Hacemos los Estatutos de Nuestra Comunidad Campesina Manual de Instrucciones*** Ramon Dominguez German Altamirano 1992

COSUDE Cooperacion para el Desarrollo Peru-Suiza 1995-2000

Fondo Peru-Canada Vision y Estrategia 1996-2000, Memoria 1996

Grupo INPET Memoria 1995 El Grupo INPET Hacia el Siglo XXI Plan Estratégico

Grupo de Iniciativa I CONADES ***Perú, Nuestro Destino Común, Visiones, Actores, Estrategias, y Consensos para el Desarrollo Social*** Federico Amillas L (comp)

Grupo de Iniciativa Nacional - CONADES Peru ***Lucha Contra la Pobreza, II Conferencia Nacional Sobre Desarrollo Social*** (Lima, 15-17 julio de 1997) Anuncio Carta de invitacion del 11 de julio de 1997 del Director Ejecutivo de ANC al Director de PACT

**ANNEX E
PERSONS CONTACTED**

USAID/PERU

Donald Boyd, Mission Director
Joseph Lombardo, Deputy Mission Director
George Baldino, Food for Development, Office of Rural Development
Jeffrey Borns, Director, Office of Democratic Initiatives & Training (ODIT)
Miriam Choy, Project & Program Development Office
Jaime Correa, Project & Program Development Office
Antonieta Delgado, NGO Coordinator, ODIT
Esau Hidalgo M, Div of Local Government, Office of Local Gov & Alternative Development
Juan Robles, PVO Support Coordinator
Stan Stalla, Office of Rural Development
Carrie Thompson Deputy Director ODIT
Robert Wilson Chief Food Division
Harry Wing, Chief, Office of Rural Development

PACT

Kris Merschrod, Director
Sarah Newhall, Deputy Director, PACT/Washington
Luis del Aguila, Microenterprise Coordinator
Percy Bobadilla, Training Coordinator
Hugo Centurion, Agriculture & Participatory Planning Coordinator
Angela Elorrieta, Consultant
Alicia Rivera, Comptroller/Financial Manager

NONGOVERNMENTAL ORGANIZATIONS

Arequipa

CAPRODA	Silvia Morena Roque, Deputy Director, Carlos R Cuadro Comproller, Jorge Barredo Accountant
FONDECAP	René Apaza Anamuro, President, Ornela Ramos Perez-Albela, Project Chief
IDEMA	Guillermo Zvietcovich Masciotti, Exectutive Director, Gloria Corneto, Microbiology Chief, Natale Moreno, Administrator
CEDER	Carlos Leyton Muñoz Director, Arturo Portilla Valdivia, Deputy Director, Juan Catacora Bruna, Economist
CIID	Carmen Berrocal Teran Executive Director Gilmar G Nuñez Begazo President
ASDE	Raúl Revilla Rojas, Training Director, Victoria Agramonte Valdivia, Health Director Peter Carpio Soto, Agriculture Director

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Servicios Alternativos Mujer AMAUTA Marroquin Cisneros Director

HABITAT Alberto Lira, Program Director

Ayacucho

CEAA-INTI Juan Yauri Respon Area de Administracion Rolando Alfaro Pacheco Respon Depto de Desarrollo Institucional Raul Inostrosa Luvo, Coordinador de Campo/Proyecto PACT

CEDAP Carlos Alviar, Director Ejecutivo, Gabriel Carrasco, Presidente

CHIRAPAQ Teresa Carrasco, Coordinadora

CIDRA Group Interview with President Andres Solari Coordinator Max Carrasco, plus 7 NGO representatives

IDESI Emilio Carrasco, Director Ejecutivo

IER-JMA Carlos Loayza, Director Ejecutivo

PAIDE Group Interview with Elva Pozo Calderon, Directora Ejecutiva Cesar Gutierrez, Ing Agron, Benjamin Huaman, Contador, Tulio Cesar Sosa y Alberto Villar Vega, Tecnicos

TADEPA Group & Individual Interviews with Florencio Hinostroza, Director Ejecutivo, Elizabeth Leon, Severo Tineo, Hermelinda Congacha, Elizabeth Villalobos, Juan Carlos, y Ernesto Guevara, Coordinadores, Eusebio Caycho, Contador, Abogada

Day-long Field Trip/Focus Group & Individual Interviews with health post personnel, farmers and local leaders in 5 communities in the District of Iguain, Province of Huanta Escalera, Alcecohuilca, Macachacra, Cangari, Chihua

Vecinos Peru Victor Hugo Altamirano, Coordinador-Ayacucho, Andres Solari Andrade, Director Ejecutivo Nacional

Red de Contadores Group Interview with Honorato Contreras Flores, Presidente, Eusebio Caycho, Secretario, E Uranca y Dionisio Tenorio Campos, Vocales

Cajamarca

AMF Cecilia Barrantes, Coordinadora

ASPADERUC Pablo Sanchez Presidente Mario Caceres, Director, Martin Requejo Rabanal, Capacitacion Alcides Rosas Uribe, Tecnico/Respon de Campo Carlos ?, Respon Forestacion, Huertos

Day-long Field Trip/Focus Group & Individual Interviews with health post personnel, farmers and local leaders in various caserios/communities of Encañada & Namora Half-day tour of integrated development/education/reforestation sites in outskirts of Cajamarca

- CEDAS Manuel Carlos Rojas, Director Gladys Lupercio Administradora
- CEDEPAS Federico Tenorio, Director Gonzalo Salirrosas Coordinador del Equipo de San Pablo, Victor Villanueva Coordinador del Equipo del proyecto de subdonacion
- Day-long Field Trip/Focus Group & Individual Interviews with health post personnel, farmers and local leaders in various caserios/communities of San Bernadino, Province of San Pablo
- CIPDER Group Interview with Executive Secretary Oscar Santisteban & 15 NGO representatives
- FONDER Enrique Holguin Mendoza Director Ejecutivo
- IDEAS Rosseles Machuca Vilchez, Director (tambien Teniente-Alcalde de la Municipalidad Provincial San Marcos)
- RAIZ Jose Armas, Director
- Rondas Campesinas Segunda Castrejon, Presidente, Melquiades Marin, Director, otros miembros del personal, Asistencia a la ceremonia de entrega de prestamos (cheques con cronogramas) a unas 12 parejas - en presencia de unas 35 personas - en la nueva sede de Rondas
- Red de Contadores Olinda Guevara Diaz, Presidente, Ullis Linares Castañeda, Difusion, Sabastiano Chavez, Doris ? y Elizabeth Marin, miembros

Lima

- ANC Federico Arnillas, Director Ejecutivo
- CEMPRO David Medianero, Director Erica Figueroa, Directora de Capacitacion, Carlos Lema, Ser de Asistencia Tecnica
- COPEME Pedro Toledo Chumpitaz, General Director, Jesus Aguilar, President, Carmen Vildoso Chirinos Vice President Gloria Malqui Comptroller
- CRS Jorge Oroza Manrique Development Programs Director
- INPET Cesar Delgado Barreto Presidente Ejecutivo Jorge Fernandez-Maldonado Solari Vice-Presidente Carlos Vasquez Velarue, Gerente de Sistemas

DONORS

Comision Europea Jan Blichfeldt European Coordinator, RENOM Region, INKA & RENOM Project

Cooperacion Peru-Suiza (COSUDE) Martha Velasquez Accountant

Fondo Contravalor Peru-Canada Carlos Barrenechea Lercari Project Manager

Fondo Contravalor Peru-Japan Judith Kuan Project Director

Fondo Contravalor Peru-Union Europea Jean Marie Abbes, Co-Executive Secretary

GTZ-German Technical Assistance Juan Carlos Gastaldi, Program Director

OTHER KEY INDIVIDUALS & INSTITUTIONS

Juan Arce Puican, Consultor ATINCHIK S A

Cesar Cervantes Tippe, Alcalde Distrital, Iguain, Huanta

Milton Cordova Latorre, Alcalde Provincial, Huanta

Hugo de la Cruz, Gerente, Interaction in Health/APRISABAC, Cajamarca

Magdalena Fajardo de Savarain, Secretaria Ejecutiva, Dora Solari, Coordinadora de ONGs
Cooperacion Técnica Internacional, Ministerio de la Presidencia

Jorge R Ucañan Azabache, Director Gerente, J&J Consultores Asociados S A

César Urbano, Gerente Principal, Ricardo Saavedra, Supervisor, Price Waterhouse

PROYECTO CIDRA / PACT

Título del Proyecto "Fortalecimiento y Consolidación del CIDRA"

RESUMEN NARRATIVO	INDICADORES VERIFICABLES OBJETIVAMENTE	MEDIOS DE VERIFICACION	SUPUESTOS IMPORTANTES
<p>Fin del Programa Objetivo Final</p> <p>Sector de ONGs de la sierra peruana están contribuyendo al desarrollo sostenible del país</p>	<p>Medidas del logro del Fin</p> <p>15 ONGs de Huancavelica y Ayacucho han ampliado la cobertura de sus proyectos y trabajan con mayor eficiencia y efectividad con los beneficiarios</p>	<p>- Informe de entrevistas a informantes claves</p> <p>- Grupos focales</p>	<p>Relacionadas con el logro a largo plazo del programa/proyecto</p>
<p>Propósito del Proyecto Objetivo General</p> <p>ONGs, principalmente las pertenecientes al CIDRA han logrado aumentar el impacto del desarrollo de sus programas y responden con eficiencia y efectividad a las exigencias del nuevo contexto nacional e internacional</p>	<p>Condiciones que Indicarán que el Propósito se ha logrado situación final del proyecto</p> <p>1 Por lo menos 9 ONGs de las 15 han accedido a nuevas fuentes de financiamiento al finalizar el proyecto</p> <p>2 15 ONGs demuestran una mejor capacidad de planear, diseñar, gerenciar y ejecutar proyectos de desarrollo sostenible al finalizar el proyecto</p>	<p>Medios de Verificación</p> <p>- Informe de entrevistas a informantes claves (fuentes financieras)</p> <p>- Informe de entrevistas a informantes claves</p> <p>- Informe de observación</p> <p>- Lectura de proyectos e informes</p>	<p>Que afectan al logro del Propósito</p> <p>Clima de estabilidad política, económica y social</p> <p>- Existe acceso de las ONGs peruanas a fuentes de financiamiento externas</p>
<p>Producto Objetivos Específicos</p> <p>1 ONGs han logrado mayor eficiencia en su capacidad gerencial</p> <p>2 ONGs utilizan técnicas administrativas y contables más eficientes</p> <p>3 ONGs han incorporado nuevos conocimientos sectoriales que mejoran la eficiencia y el impacto de sus proyectos</p>	<p>Cantidades de los Productos específicos que son necesarias y suficientes para alcanzar el Propósito</p> <p>1 1 15 ONGs manejan y utilizan técnicas de planificación estratégica, operativa y utilizan el marco lógico</p> <p>2 1 15 ONGs manejan y usan técnicas modernas de gestión y contabilidad</p> <p>3 1 15 ONGs trabajan con mayor calidad técnica en sus áreas de intervención promueven procesos de desarrollo local</p>	<p>1 1 Revisión de los planes de desarrollo institucionales, para diseño de proyectos</p> <p>2 1 Informes administrativos</p> <p>2 2 Reportes y estados financieros</p> <p>3 1 Entrevistas</p> <p>3 2 Informes de ONGs</p> <p>3 3 Informes de monitoreo de actividades</p> <p>3 4 Programa de los gobiernos locales</p>	<p>Que afectan el logro del Producto</p> <p>Existen agencias de cooperación internacionales interesados en seguir trabajando con el sector de ONGs</p>

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PROYECTO CIDRA / PACT

Título del Proyecto "Fortalecimiento y Consolidación del CIDRA"

RESUMEN NARRATIVO	INDICADORES VERIFICABLES OBJETIVAMENTE	MEDIOS DE VERIFICACION	SUPUESTOS IMPORTANTES
<i>Insumos Actividades</i>	<i>Nivel de esfuerzo/gasto por actividad</i>		<i>Que afectan al logro de las actividades</i>
Cursos de Capacitación			Existe disponibilidad de técnicos cali- ficados para impartir los cursos
1 1 Planificación estratégica	\$5,000		
1 2 Planificación operativa	\$5,000		
1 3 Diseño y evaluación de proyectos	\$6,500		
1 4 Uso del marco lógico	\$6 500		
1 5 Desarrollo de sistemas de monitoreo	\$5 000		
2 1 Sistemas de contabilidad y control interno y de gestión empresarial para ONGs	\$8,500		
2 2 Gestión de proyectos	\$5,000		
3 1 Comercialización y estudios de mercado	\$5,000		
3 2 Gestión del crédito rural	\$5,000		
3 3 Gestión y organización de empresas comunales y multicomunales	\$5,000		
3 4 Tecnologías de transformación de productos agrícolas	\$5,000		
3 5 Políticas de género en proyectos de desarrollo	\$5,000		
3 6 Agroecología y manejo de cuencas	\$5,000		
4 1 Administración y coordinación	\$22,500		
4.2 Equipos	\$20,000		
4 3 Asesorías y asistencia técnica	\$8,500		
4 4 Seminarios y eventos	\$15,000		
4 5 Seguimiento evaluación	\$4,500		
4 6 Imprevistos	\$8,000		
TOTAL	\$150,000		

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Institutional Development Framework

Resources	Criteria for each progressive stage			
	Start up	Development	Expansion/Consolidation	Sustainability
<i>Oversight/Vision</i>				
BOARD	Board partially identified	Board identified but in flux and not influential	Board membership stable and well targeted	Board comprised of recognized leaders
	Roles of members and of members vis a vis CEO are unclear	Board understands role and how to relate to Exec Dir	Board assists project through access to key people	Board provides hands on policy direction for political action
	Board not yet active partner	Board becoming active and contributes and pursues resources	Board provides some leadership Committees formed but only one or two active members	Significant funds raised by board Many members of Board play active role
	Board may act as a drag on organization	No longer a drag on organization	Able to help advance organization but chair not yet able to take to higher level	Active strong chair and board in place help advance organization
MISSION	No formal Mission Statement Group coalesces around general environmental or development objectives	Mission Statement exists but is unclear Diverse portfolio of projects and proposals is not consistent with Mission Statement	Mission statement is clear and is generally consistent with portfolio However staff are not uniformly capable of articulating it and outsiders may not identify it with organization	Clear Mission statement It can be articulated by board and staff and consistent with portfolio Outsiders identify same mission with organization
AUTONOMY	Organization is implementing agent of one donor	Organization is able to respond interests of more than one donor and its board	Organization is able to obtain funding to support its program in consultation with the board	In addition to managerial and financial autonomy organization is able to advocate to government and private sector
<i>Management Resources</i>				
LEADFRSHIP STYI F	All leadership emanates from founder	Leadership comes from founder and one or two board members	Vision increasingly comes from Board with increasing input from staff	All employees participate to some degree in management
	Staff provide technical input only	One or two staff provide organizational impetus in addition to founder	Staff increasingly provide vital drive to organization	Staff understand where boundaries of their participation lay Organization would survive without current Board President and CEO

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Resources	Criteria for each progressive stage			
	Start up	Development	Expansion/Consolidation	Sustainability
PARTICIPATORY MANAGEMENT	Decisions handed down to organization from CEO with little or no feedback	Most decisions take by CEO and Board Some input from one or two staff members	Management decisions increasingly delegated to line managers	Management decisions delegated to appropriate level
	Organization run by CEO but criteria for decisions are overpersonalized and unclear	Management decision criteria generally shared with Board	Decision making is increasingly transparent to staff	Transparent decision structure
	Staff roles and responsibilities unclear and changeable	Staff roles better understood but fragmented	Staff understand role in organization more clearly and how to participate in management	Staff increasingly able to shape the way in which they participate in management
	Poor intra staff communications	Modest amounts of staff communications	Communications are open and inter hierarchical	Organization periodically reviews communication Now to ensure free flow of information
PLANNING	Planning is predominately ad hoc incremental and reactive to circumstances	Planning is structured around mission statement	Annual <u>individual staff and organizational</u> plans are developed and reviewed during course of year	Annual plans continue as operative instruments supplemented by updated long term plans
	Planning is scattered on diffuse and unrelated matters	Planning is more forward oriented Annual organizational workplans are developed but not tracked during year Planning is hierarchically imposed	Mid/long term strategic plan is developed Wide participation in planning among staff Plans are result of cooperative Board/Staff effort Plans relate specific resources needed to accomplish objectives	Data is gathered and analyzed to track progress against plan Annual and strategic plans are specific enough to permit accurate budgeting but flexible enough to be modified as warranted Beneficiaries participate in planning
MONITORING & EVALUATION (M&E)	No formal evaluation mechanisms exist Word of mouth and gut feelings are used	Occasional evaluations are undertaken usually at request of donor and implemented by outsiders	Evaluations are initiated by staff increasingly involved in their execution some management decisions are taken based on data ongoing M&E system is in place M&E still isolated management function	M&E data and analysis are integrated into decision making
	No systematic monitoring systems exist	Rudimentary monitoring of service provision initiated		
	No feedback from beneficiaries clients	Informal channels for beneficiary/client feedback	Formal mechanisms exist for beneficiary/client feedback via evaluations and surveys	Continuous feedback and input from beneficiaries/ clients used in planning and decision making

Management Systems International (MSI)

Resources	Criteria for each progressive stage			
	Start up	Development	Expansion/Consolidation	Sustainability
MANAGEMENT SYSTEMS	No formal personnel systems and descriptions recruitment and firing procedures etc) exist	Some but not all necessary personnel systems exist Informal employment practices persist	Virtually all necessary personnel systems are institutionalized occasionally informal mechanisms are used	Formal personnel systems are institutionalized understood by employees and redress can be pursued
	No formal file system exists	Files are maintained but are not comprehensive or systematic	Files are systematic and accessible but significant gaps remain	Files are comprehensive systematic and accessible
	Few administrative procedures formalized	Administrable procedures increasingly formalized No operating manual	Administrative manual in place although not up to date or considered the Bible	Administrative manual updated as needed Considered the arbiter of procedures
Human Resources				
STAFF SKILLS	Too few people are filling too broad a range of technical skills	Specialists are brought on for contracted) for key skill areas such as accounting and fund raising Some gaps remain	All core skill areas are covered with staff	All skill areas are covered and capacity exists to contract out -or other needed skills
	Staff not fully capable of providing skills required of their positions	Staff capable of providing technical skills of their positions	Staff recognized for excellence outside organization Papers and speeches solicited from staff	Staff offered higher paying employment (UN WB AfDB etc) and refuse them
STAFF DEVELOPMENT	No conscious human resource development strategy or practice	General direction provided for staff development	Staff development needs assessment and action plan exists	Professional development considered part of job performance
	Little coaching counselling or training provided	Some coaching counselling even training provided	Staff receive coaching counselling and training	Intra Office mentoring and guidance considered important part of job
	Little or no formal recognition of employee performance	Performance recognized informally but no formal mechanism exists	Formal performance appraisal system established Skills development not included in performance appraisal	Employees participate in objective setting & know what is expected of them Skills development is included in performance appraisal
ORGANIZATIONAL DIVERSITY	Organization has little consciousness of importance of or interest in diversity	Consciousness and interest increased but still no policy regarding diversity	Organization expresses commitment to diversifying staff via formal policy	Active recruitment from traditionally disadvantaged groups for board and staff
	Staff is under represented by traditionally disadvantaged groups	Some traditionally disadvantaged groups are on staff	Significant representation of traditionally disadvantaged groups among staff	Composition of staff adequately represents traditionally disadvantaged groups

Management Systems International (MSI)

Resources	Criteria for each progressive stage			
	Start up	Development	Expansion/Consolidation	Sustainability
	Board is under represented by traditionally disadvantaged groups	Some traditionally disadvantaged groups are on Board	Significant representation of traditionally disadvantaged groups on Board	Composition of Board adequately represents traditionally disadvantaged groups
<i>Financial Resources</i>				
FINANCIAL MANAGEMENT	Financial records are incomplete and difficult to understand Organization often needs to be prodded to produce them	Financial reports are produced and clearer but still incomplete Somewhat timely	Financial reports are clear and complete even as portfolio becomes more complex Usually timely	Reports and data system can quickly provide a sense of financial health Reports are always timely and trusted
	Budgets are not used as management tools	Budgets are developed for project activities but are often over or under spent by more than 20%	Total expenditure is usually within 20% of budget but actual activity often diverges from budget predictions	Budgets are integral part of project management and are adjusted as project implementation warrants
	No clear procedures exist for handling payables and receivables	Financial controls exist but lack a systematic office procedure Bookkeeper is not a trained accountant	Improved financial control systems Trained accountant is in charge of books	Excellent cash controls for payables and receivables and established budget procedures
	Audits are not performed	External audits are only rarely performed	External audits are performed frequently but aperiodically	External audits are performed with a regular and appropriate frequency
	Project funds are not separated	Project funds are separated but some temporary cross project financing may occur	Standard procedure is to avoid cross project financing and most funds are separated	All project funds are separated and adequate controls exist to avoid cross project financing
FINANCIAL SECURITY	Financing comes from only one source	Financing comes from multiple sources but 90% or more from one source	No single source of funding provides more than 60% Of funding	No single source provides more than 25% of funding
	Local fundraising (including goods and services) for operational income is untried or unsuccessful	Up to 5% of unrestricted operating expenses are from membership fees revenues trust funds unrestricted gifts earned interest and fees charged by organization	30% of unrestricted operating expenses are from membership fees and fees charged by organization	50% of unrestricted operating expenses are from membership fees and fees charged by organization Some funds for capital or project expenditures also raised locally
FINANCIAL SOLVENCY	Project funding is insufficient to meet project management goals	Funding is available to cover short term project costs	Funding is available for short term costs and medium term funding strategies exist	All projects have long term funding plans and current funds are adequate to meet needs of management plan

Management Systems International (MSI)

Resources	Criteria for each progressive stage			
	Start up	Development	Expansion/Consolidation	Sustainability
<i>External Resources</i>				
RFCOGNITION	Organization little known outside the range of its direct collaborators	Organization is kn among technical peers but does little to promote its activities or broader sustainable development to public and key decision makers	Organization has limited contact with key decision makers and has limited lines of communication with public	Organization and its work well known to public and policy makers Able to engage decision makers in dialogue on policy It has a loyal constituency and commands respect outside the constituency
Ability to work with local communities	Work is centered in Windhoek or is based on top down structure	Work is for used on field and organization is viewed as ally of community	Community input solicited for key decisions Organization and efforts viewed as service provided to community	Community input integrated into most management considerations Organization viewed as a community resource
Ability to work with government bodies	Viewed as we they Tension is frequent between government and organization	Relations are friendly Collaboration occasionally occurs on specific tasks and projects	Collaboration is frequent usually on informal level Relations are friendly but imbalanced	Formal mechanisms exist for collaboration and are often used Relations are as full partners
Ability to work with other NGOs	Organization does not have experience working with NGOs Not known or trusted by NGO community	Organization increasingly known and trusted by NGO community but little experience with collaboration	Organization works with international or local NGOs and participates in NGO networks but has not played a leadership role in promoting NGO coalitions and projects	Organization plays leadership role in promoting NGO coalitions or projects and supports other NGOs and can help resolve NGO NGO or NGO Gov t conflict
<i>Product Quality/Service Delivery</i>				
To be determined by each organization based on monitoring and client/beneficiary feedback				

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Institutional Development Profile:

		Baseline	Current	End of Project		
Oversight/Vision	Board					
	Mission					
	Autonomy					
	Leadership Style					
Management Resources	Participatory Management					
	Planning					
	Evaluation					
	Management Systems					
Human Resources	Staff Skills					
	Staff Development					
	Staff Diversity					
Financial Resources	Financial Management					
	Financial Security					
	Financial Solvency					
External Resources	Recognition					
	Ability to work with Local Community					
	Ability to work with Gov't Bodies					
	Ability to work with NGOs					
Product Quality/Service Delivery						